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ONE HUNDRED AND TWELFTH ANNUAL REPORT

of the

STATE BOARD OF INSURANCE

For the Year Ending August 31, 1987

EDWIN J. SMITH, JR.
Chairman of the Board

JAMES L. NELSON
Member

DAVID H. THORNBERRY
Member

DOYCE R. LEE
Commissioner of Insurance

STATE BOARD OF INSURANCE

1110 SAN JACINTO AUSTIN, TEXAS 78701-1998

EDWIN J. SMITH, JR., Chairman
DAVID H. THORNBERRY, Member
JAMES L. NELSON, Member

DOYCE R. LEE, Commissioner
ERNEST A. EMERSON, Fire Marshal
NICHOLAS MURPHY, Chief Clerk

December 9, 1987

The Honorable William P. Clements, Jr.
Governor of Texas
Capitol Building, Room 200
Austin, Texas 78701

Dear Governor Clements:

This report is submitted in compliance with Section 51, Article V, Senate Bill 1, Acts of the 70th Texas Legislature, Second Called Session, 1987 (General Appropriations Act); Section 12, Article 1.10, Texas Insurance Code; and Section b, Article 1.25, Texas Insurance Code.

Copies of this report are being filed simultaneously with the State Auditors, Legislative Budget Board, Comptroller of Public Accounts, Legislative Reference Library and State Library. Members of the Legislature will be notified of the availability of the report as required in Section b, Article 1.25, Texas Insurance Code. The State Auditor has not audited the accompany annual financial report and, therefore, has not expressed an opinion on the financial statements and related information contained in this report.

If you have questions regarding the contents of this report or affairs of the State Board of Insurance, we will be happy to respond.

Respectfully Submitted,

Edwin J. Smith, Jr., Chairman

David H. Thornberry, Member

James L. Nelson, Member

Doyce R. Lee, Commissioner

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Reports of Program Activity

Board Offices

The State Board of Insurance is composed of three full-time members appointed by the Governor and serving nonconsecutive six-year terms. The Board determines agency policy, sets rules, promulgates or approves rates for most property/casualty lines of insurance, hears appeals from Commissioner or State Fire Marshal rulings and other decisions under the Texas Insurance Code and other applicable statutes. The Board appoints and supervises the activities of the Commissioner of Insurance and State Fire Marshal who serve at its pleasure. The Board support staff consists of the Chief Clerk, General Counsel, and Research and Information Services.

Figure 1. Summary of Activity - Board Offices

	FY 86	FY 87
Board Meetings	92	61
Public Hearings	29	26
Board Orders	1,939	1,996
Public Information Presentations	503	307

Chief Clerk

Article 1.08, Texas Insurance Code states that the Chief Clerk shall have the responsibility of keeping and maintaining all records and proceedings of the Board. In fulfilling duties and responsibilities for the supervision and maintenance of records of all official actions of the Board, the Chief Clerk supervises and is ultimately responsible for the following: (a) maintaining all records and proceedings of the Board; (b) properly posting Board meetings and hearings; (c) giving official or informal notice to parties and persons of Board hearings and meetings; and (d) filing rules and rule changes with the Secretary of State.

The Chief Clerk's responsibilities include:

- Performing legal research and providing the Board with advice on legal and technical problems, with particular emphasis on rulemaking.
- Conducting an ongoing review of the agency's rules and rulemaking procedure.
- Drafting opinion requests, legal briefs and other correspondence.
- Occasionally assisting the Attorney General with cases.
- Assisting in the drafting and editing of proposed legislation.
- Performing other legal work, including attending hearings and meetings.

General Counsel

The General Counsel provides legal advice and research directly to the Board respecting its decisions on proposed rules, ratemaking, appeals from decisions of the Commissioner of Insurance and the State Fire Marshal, and other matters brought to the Board by the Commissioner of Insurance, the State Fire Marshal, the industry and the public.

Drafting, reviewing and recommending Board-sponsored legislation, the General Counsel advises the Board on the need for legislation and the impact passage of a bill would have. In addition, he or she serves as a Board representative by testifying before the Legislature as a resource person on insurance-related legislation.

The General Counsel chairs advisory committees consisting of representatives of industry, Board staff and the public appointed by the Board to study and recommend rules or legislation to remedy current regulatory problems.

Acting as representative of the Board members, the General Counsel makes recommendations to the Industrial Accident Board, the Railroad Commissi..., the State Purchasing and General Services Commission and other state agencies with respect to matters relating to the agency carrying out its regulatory duties and other matters within its jurisdiction.

Monitoring proposals, development and enactment of federal statutes and rules that affect the state's authority to regulate insurance, the General Counsel develops and recommends appropriate Board responses.

Research and Information Services

This Activity performs research needed by the Board and the Legislature and furnishes a wide variety of information to the Board, the Governor's office, the Legislature, other state agencies, the news media and the general public. In addition to responding to inquiries, the Activity maintains contacts with the trade press and Texas news media and notifies reporters of major hearings and Board decisions.

Research and Information Services also is responsible for legislative liaison; coordination and support for the Board's participation in the National Association of Insurance Commissioners (NAIC); and preparation of presentations for public, regulatory and industry forums. Finally, the Activity edits the monthly newsletter, *The Bulletin Board*, which is distributed to all employees.

During Fiscal Year 1987, this Activity completed two major research projects assigned by the Legislature. Reports on insurance coverage for mental health and mental retardation rehabilitative services (SCR 62) and long term-care (SCR 123) were submitted to the 70th Legislature.

The liability insurance crisis of availability and affordability prompted the State Board of Insurance to establish a program in 1986 to help businesses and local governments obtain coverage. The Texas Commercial Liability Market Assistance Program (Texas CL-MAP) continued during FY 1987. Through the end of the fiscal year, 215 applications had been received, 154 applications had been placed with insurance carriers, 57 had been denied, 4 were pending and 3 were renewed after the first year.

Research and Information Services staff members also conducted a major survey of insurance company closed claims for bodily injuries under general liability, medical professional liability and commercial automobile liability policies. The survey collected data on the extent to which losses were affected by such elements of the tort law system as punitive damages and joint and several liability. Results of the study were furnished to the 70th Legislature in a 124-page report, *Texas Liability Insurance Closed Claims Survey*.

In performing its functions as legislative liaison, the Division was responsible for drafting the Board's biennial report outlining needed insurance legislation. *Recommendations by the State Board of Insurance to The 70th Texas Legislature* was issued on December 31, 1986. Research and Information Services also coordinated the Board's legislative recommendations. Twenty-one of 26 Board-recommended bills were passed by the Legislature and signed by the governor. The Division also was responsible for tracking all insurance-related bills and drafting fiscal notes and published *Insurance Related Legislation Enacted by The 70th Legislature of Texas*.

Statisticians and financial specialists within the Activity developed calculations on insurance company investment income for use in setting automobile, property and workers' compensation rates; conducted significant research into the Texas allocation of investment income by line of insurance; and participated in an advisory committee study of rate-related problems in the title insurance industry.

The continuing liability crisis brought increasing demands for special articles and speeches by the chairman and other Board members. Research and Information Services assisted in drafting many articles for Texas daily publications, including *The Houston Post, Fort Worth Star-Telegram, Waco Tribune-Herald* and others. Other articles were prepared for professional association magazines, including *Texas Hospitals, Texas Oil Marketer* and *Texas Lyceum Journal*. Because of increasing interest in workers' compensation issues, the Activity produced a special packet explaining workers' compensation in a simple question-and-answer format, along with statistics on job-related accidents and insurance industry expenditures for accident prevention services. In addition, Research and

Information Services published a Spanish edition of the consumer brochure, *Entendiendo El Consejo Estatal De Seguros* and reprinted and updated a pamplet titled *Employment Opportunities with the State Board of Insurance*.

The Activity performed a number of statistical studies including erosion of the accident and health insurance premium tax base by self-insurance; benefits provided by health maintenance organizations and the fifty largest accident and health insurance writers; and the possible impact of sales taxation of insurance premiums.

During the fiscal year, Research and Information Services personnel coordinated Board liaison with senior citizen and consumer organizations concerning Medicare supplement insurance and chaired a State Debate on Health Care committee that arranged the debate segment on "Who Pays?"

Other projects during the year included a survey of lower cost alternatives in non-institutional health care; development of reports on revision of National Association of Insurance Commissioners group health insurance model legislation; coordination of a panel by State Board of Insurance staff to the Federation of Insurance Women; and coordination of the Board response to the State Health Plan.

Commissioner's Office

The Commissioner of Insurance is appointed by the Board as the agency's chief executive and administrative officer. The Commissioner is given primary responsibility for enforcement of the Texas Insurance Code and rules and regulations promulgated by the Board. The Commissioner directs the agency's operations with the assistance of six Deputy Commissioners who manage the major administrative and insurance-regulatory programs, one Special Deputy Commissioner, an Assistant Deputy Commissioner, and the Chief Hearings Officer, the Liquidator/Receiver and the Conservator who act on behalf of the Commissioner in carrying out his regulatory responsibilities.

Figure 2. Summary of Activity - Commissioner's Office

	FY 86	FY 87
Commissioner's Orders	1,338	1,503
Commissioner's Conferences	1,581	1,254
Conferences with the Board	102	122
Number of Receiverships	90	108
Number of Companies in Supervision/ Conservatorship	24	69
Commissioner's Hearings	437	557

Commissioner's Administration

Hearings

The Hearings Activity conducts Commissioner's hearings for all contested cases filed pursuant to the *Administrative Procedure and Texas Register Act*, and conducts hearings for the Board and State Fire Marshal in specified cases upon request. There was a total of 557 Commissioner's hearings conducted by hearings officers during Fiscal Year 1987 and 41 hearings conducted for the Board. The Hearings Activity was responsible for seeing that proper public notices in all such cases were published.

All of the Commissioner's hearings are electronically transcribed. The hearings reporters at the request of interested parties, stenographically reported and transcribed 95 of the Commissioner's hearings. Thirty-seven Board hearings were also reported and transcribed by the hearings reporters who, as a result of all the hearings they reported, transcribed 14,346 pages of testimony.

The Hearings Activity maintains docket sheets and case files, including all exhibits introduced at the hearings, on all cases filed. Cross indexes provide access to information on any case. Transcripts of all open hearings transcribed by the hearings reporters are also filed and made available to the public.

Conservation of Companies

This Activity provides for the rehabilitation of insurance companies through supervision and conservatorship activities in an effort to avoid company failures resulting in economic loss to the general insurance-buying public. The Activity performs both financial and operational analyses to determine company status, problem areas and provides rehabilitative techniques to return companies to a sound financial basis, if possible.

At the beginning of the fiscal year, four companies were in supervision and ten were in conservatorship. During the fiscal year, a total of 40 companies or agencies were placed in supervision and 18 were placed in conservatorship. One company was released to management and 14 were placed in receivership. Two unauthorized companies have ceased doing business; one agent

unauthorized to conduct insurance business filed for bankruptcy; and one company under a contract consultant was released to management. Commissioner's Substitution Orders appointed William P. Daves, Conservator of one company and Stephen Pence, Conservator of one company.

Companies within the Conservation of Companies Activity, whose status changed during Fiscal Year 1987, included three supervision companies placed in conservatorship by Commissioner's Orders and seven companies which consented to conservatorship.

At the end of the fiscal year, 35 companies - 23 in supervision and 12 in conservatorship remained in the Conservation of Companies Activity; and six companies, two in supervision and three in conservatorship, one in ancillary conservatorship remained with the contract consultants. A total of 41 companies remained under supervision and conservatorship. Additional information is contained in Part III of this report.

Liquidation

The primary responsibilities of the Liquidator/Receiver, as set forth in Articles 14.33 and 21.28, Texas Insurance Code, are: (a) the orderly administration of receivership or conservatorship estates; (b) the rehabilitation of such companies when feasible; (c) the conservation of the companies' assets so as to minimize liabilities insofar as possible; (d) the protection of the assets of the policyholders and claimants; (e) the distribution of available assets to those persons establishing a legal right thereto; and (6) the conclusion of the affairs of such receivership and/or conservatorship estates under the direction and order of the appropriate receivership court and/or the Commissioner of Insurance.

The Liquidator/Receiver, with advice of the Deputy Liquidator and Special Counsel, heads the Activity which is comprised of five Sections: (a) Administrative Services, (b) Auditing, (c) Fiscal Services, (d) Legal Services and (e) Insurance Services (claims, policyholder services and agents collections).

Assets of the various receivership estates and Guaranty Association contributions provide about 90 percent of the funds for the operation of the Activity. The balance of this Activity's budget is funded through legislative appropriations. Also, money is borrowed from the Abandoned Property Fund for the administration of estates without Guaranty Fund protection or assets; however, by the end of Fiscal Year 1987, this fund was almost depleted.

During this fiscal year, 18 receiverships were ordered by District Courts of Travis County and one receivership was closed. Active receiverships total 108 as of August 31, 1987. The beginning balance of lawsuits for this fiscal year was 419; 203 lawsuits were filed and 148 were closed, leaving a total of 438 in litigation. Additional information about the operations of the Liquidation Activity is contained in Part III and Part V of this report.

Administrative Services

This Program, consisting of six activities, provides administrative services for all operations of the State Board of Insurance. The six activities under the administrative direction of the Deputy Commissioner for Administrative Services are (a) Staff Services, (b) Personnel and Staff Development, (c) Records Management and Micrographics, (d) Statistical and Rate Development (e) Life Actuarial and Life Reserves and (f) Data Processing.

Staff Services

This Activity provides support services necessary for the internal operations of the State Board of Insurance. It is comprised of five Sections: (a) Fiscal and Accounting, (b) Reproduction, (c) Mail Services, (d) Purchasing and (e) Publications Distribution.

Fiscal and Accounting: This Section accounts for all revenues collected and processes expenditure vouchers for salaries, supplies, travel and equipment. Internal operating budgets are maintained for each cost center's expenditures. Agency budget estimates and requests submitted to the Executive and Legislative Budget Offices are prepared by this Section. Fiscal custodian services for securities on deposit with the Board are also provided by this Section.

Reproduction: This Section provides for centralized reproduction services for most of the printing and photostating requirements of the agency. Orders for specialized printing are sent to commercial firms or handled through an Interagency Cooperation Contract with other state agencies.

Mail Services: All incoming mail (postal, intra-office, and inter-agency) is processed and distributed to the respective offices. Out-going correspondence is picked up from each office and properly dispersed to other offices, agencies and the U.S. Postal Service.

Purchasing: This Section maintains an inventory of supplies necessary for the daily requirements of the various offices of the State Board of Insurance. Requisitions and contract orders are issued as needs are determined. The Section also purchases, issues, controls by inventory number and provides for the maintenance of much of the equipment owned by the Board. Building problems and requests for telephone services are also handled by this Section.

Publications Distribution: Various publications are distributed to insurance departments in other states, insurance companies, agencies and licensed agents based upon paid or free subscription lists maintained by this Section. This Section also maintains records of deposit accounts for companies, agencies and licensed agents needing to obtain experience rating data.

Personnel and Staff Development

This Activity has the primary responsibility for all personnel-related activities. Personnel is also responsible for agency reception, EEO compliance, training and a wide variety of special assignments. During Fiscal Year 1987, there were 10,495 employment applications processed for 355 job postings and 66,626 employee record transactions were completed.

In Fiscal Year 1987, the agency reception staff received 126,058 telephone calls and visitors. A total of 450 employees attended 15 separate training projects and/or courses during the same period. Additionally, 135 special assignments were completed. EEO coordination efforts included seven major reports, one recruiting assignment, five committees, and 20 advertising job postings in addition to the evaluation of all personnel related actions between September 1, 1986 and August 31, 1987.

In Fiscal Year 1987, several systems were implemented or modified in an effort to increase the efficiency and productivity of the Personnel and Staff Development Activity. These include: automating the SBI Telephone Reference Manual; initiating citizenship verification procedures; redesigning the exit interview process; modifying overtime and/or compensatory leave accounting

procedures; establishing a tracking system for job postings; introducing several new training courses; introducing a jobs information telephone line; revising applicant testing procedures; and modifying the job applicant tracking system.

Records Management and Micrographics

Records Management

The Records Management and Micrographics Activity is responsible for the development and oversight of the agency's records management program. The Activity involves supporting the record-keeping functions of each area by providing consultation, analysis, design, and coordination of systems. In addition, this area is responsible for determining and maintaining sufficient information concerning the identification and quantification of record series so as to support administrative planning.

Accomplishments of this area in Fiscal Year 1987 included:

Developed an agency-wide inventory of record series. Excluding the Liquidation Activity, the agency contains over 474 types of files, occupying 13,958 cubic feet, requiring 11,886 square feet of floor space, and containing over 49,000,000 pages.

Developed an agency retention schedule. The schedule indentifies each series by name, number, area, disposition, and disclosure.

Implemented a new system for controlling records destruction and off-site storage.

Preserved essential records by producing preservation duplicates. In conjunction with the State Archivist, began the rebuilding of a permanent archive documenting the development of insurance-related legislation and rules.

Continued evaluation of emerging technologies, including document locator software and optical disk systems. Optical Character Recognition (Kurzweil) equipment was moved into the Records Management area where it was evaluated for use in several potential applications.

Micrographics

The Micrographics Activity provides the various programs of the agency with microfilming-related services. These services involve the conversion and maintenance of active record systems and the archiving of inactive files. Actual tasks performed involve microfilm system design, document preparation, filming, processing, duplicating, jacketing, editing, filing and retrieval. In Fiscal Year 1987, the Activity was responsible for filming over 2,653,040 pages and processing 2,468 rolls of microfilm. The use of microfilm at the agency saved the equivalent of 176 file cabinets in prime office space.

Accomplishments in Fiscal Year 1987 included:

The successful conversion of annual statements to an inactive microfilm system. This required filming over 265,000 pages that were size 12" x 19". These documents had previously been stored for 18 years in the State Records Center at a cost to the State of approximately $20,000.

Implemented Computer Output Microfilm Service for the agency. The first job was run in August of 1987.

Assisted in design and implementation of an automated system for processing and capturing information in Closed Claim Study.

Provided support and a micrographic laboratory for two satellite microfilm departments.

Expanded Micrographic services to include a user archive library. Inactive files are placed on microfilm and retained in Micrographics. Users may either call and request a hardcopy from the film or may use equipment located in the "User Room" to browse the film. This service

eliminates the need for expensive retrieval devices in areas that only have occasional retrieval requirements.

Duplicated Policy Approval files for use by the Advertising Section. These files are the largest in the agency representing 5,500,000 pages of permanent records contained on 700 reels of microfilm

Statistical & Rate Development

Primary responsibility of this Activity is the development and maintenance of proper Texas rate levels for all regulated property and casualty coverages. The Statistical & Rate Development Activity is made up of the Property/Casualty Actuarial and Base Rate Sections.

Property/Casualty Actuarial: The broad functions of this Section include (1) collection, verification and analysis of statistical data, (2) research necessary to maintain current and relevant ratemaking formulas and procedures, (3) preparation of rate development reports, *Annual Statement Page 14* summaries and *Insurance Expense Exhibit* summaries for distribution by the Board and (4) provision of assistance to the Board, the Commissioner, other staff members and the general public in the solution of actuarial or statistical problems.

Figure 3. Fiscal Year 1987 Promulgated Rates

	Public Hearing Date	Effective Date of Rate Revision
Title	11/10/86	No Rate Change
Workers' Compensation	11/18/86	01/01/87
Private Passenger Automobile	12/03/86	05/01/87
Commercial Property	02/12/87	07/01/87
Commercial Multi-Peril	03/19/87	07/01/87
Personal Property	06/29/87	03/01/88

Figure 4. Summary of Activity - Statistical & Rate Development

	FY 86	FY 87
Manual Rate Promulgations	4	6
Rate Filings Processed	50	25
Rate Development Statistical Reports Processed		
Title Insurance Agents	637	597
Title Insurance Underwriters	20	20
Annual Statement Page 14	960	968
Property/Casualty Expense Exhibit	670	664
Product Liability Expense Exhibit	263	237
Title Expense Exhibits	20	20

Base Rate: The Base Rate Section collects, verifies, and summarizes workers' compensation rate development statistical data. This information is received on a unit transaction basis from each insurance carrier writing workers' compensation insurance in Texas. The Base Rate Section processed 331,371 unit statistical reports in Fiscal Year 1986 and 331,192 in Fiscal Year 1987.

Life Actuaries

The Life Actuaries Activity performs actuarial duties related to life insurance, annuities and accident and health insurance. This Activity is comprised of three Sections: (a) Actuarial Analysis (b) Field Actuarial and (c) In-House Actuary.

Actuarial Analysis: This Section audits and verifies the annual valuation reports of reserve liabilities filed by legal reserve life companies and stipulated premium companies domiciled in Texas. This Section also analyzes certain actuarial items in the annual statements of these companies, including non-ledger policy assets, reserve liabilities, and the *Statement of Actuarial Opinion,* signed by a qualified actuary. During Fiscal Year 1987, 360 reserve valuation reports were verified and 330 annual statements cleared. Also, 226 *Statements of Actuarial Opinion* were analyzed for companies domiciled in Texas.

Field Actuarial: This Section reviews reserve liabilities and other actuarial matters, in connection with the field examination of legal reserve life companies, fraternal benefit societies and stipulated premium companies domiciled in Texas. This work is normally performed at the home offices of the companies. This Section also makes special audits and annual reserve valuations at the home offices of the 11 largest companies domiciled in Texas. During the past year, the Field Actuarial Section completed the examination of 103 companies.

In-House Actuary: This Section was called the Staff Actuary Section until this year. It performs actuarial services as required by statute or regulation, or as may be specifically requested by the Board, the Commissioner, or the Deputy Insurance Commissioner for Corporate and Financial. The In-House Actuary Section assists other staff members in matters of an actuarial nature. During the past fiscal year, the In-House Actuary Section has been involved in work on 271 distinct actuarial projects. Also, this Section has been studying the use of data processing equipment to perform some of the other functions in the Life Actuaries Activity - such as verifying the reserve valuation reports. Some progress has been made toward getting a pilot company to file its 1987 reserve valuation report in suitable form for this type of verification, and also, progress has been made toward implementing a valuation system of this type that is in place in another state.

Data Processing

The Data Processing Activity is the center of the agency's automatio n efforts. The Activity serves the agency in several important areas including communications, computer operations, and development of agency-wide applications. Additionally, through the Information Center, this Activity serves as the focal point for the agency's end-user computing.

Data Processing is also responsible for insuring that computer-related devices, which are purchased by all other programs and activities within the agency, meet the technical specifications necessary for integration with the agency's current equipment. In addition, Data Processing coordinates the agency's Long-Range Automation Planning effort.

Within the Data Processing Activity there are four specialized Sections: (a) Application Development, (b) Information Center, (c) Systems and (d) Operations and Production Support.

Application Development: The goals within Application Development this year included development of automated systems that provide immediate benefit to agency personnel, using all the tools that are available at the State Board of Insurance, no longer limiting the agency to traditional data processing. Major accomplishments in Fiscal Year 1987 included the following:

Application Description

Statistical and Rate

Implemented a system to accept first report stat cards on tape. Since entering this data has resulted historically in a keypunch backlog, this system will serve both the industry and the State Board of Insurance.

Life Insurance

Implemented a single license for all types of agents. All license types now processed manually.

Surplus Lines

Worked with the State Comptroller to obtain data to assist in tracking the tax payments from surplus lines companies.

Corporate Activities

Wrote crosscheck programs for edits of 27 pages of annual statement data. This editing was done manually in prior years.

Workers' Compensation

Developed a reporting system for workers' compensation compliance reporting.

Liquidation

Developed a document tracking system.

Practices and Complaints

Implementation of a complaints tracking system which will be operational in the first quarter of Fiscal Year 1988.

Administrative Services

Began the process of electronic generation of internal forms, eliminating the need to maintain inventory of commonly used forms. Began conversion to the SPAGS on-line accounting system for Fiscal Year 1988.

General Liability

Completed a system study recommending specific tasks appropriate for automation.

Information Center: Accomplishments of this Section between September 1986 and September 1987 included:

Continued installation of personal computer software and hardware ordered by the agency. Introduction training classes for the personal computers were provided.

Training classes were offered on a regular basis, approximately 10 classes per month with an average of 28 students per month taking advantage of these classes.

Staff consultations were calculated at approximately 2400 calls.

Installation of Insurance Code text from Legislative Council and subsequent edit processing for STAIRS database.

Creation of various Newsflashes containing useful information relating to personal computing tips and techniques.

Conducted product reviews for personal computers. Also hosted an open house to demonstrate these machines to agency staff.

Conducted additional modifications and enhancements to the budget system and trained selected agency staff to use the system for first submission to Legislature.

Created and implemented electronic document forms for internal creation and distribution, thus, improving office productivity within the Section.

Conducted various software product reviews and evaluations.

Assisted with the installation, tailoring, and implementation of a document storage and retrieval system (STAIRS/VS).

Provided a central point of contact within the agency for reporting and tracking problems related to data processing.

Provided a variety of consulting services to agency staff and management.

Assisted with departmental studies involving collection of data from surveys, creation of host-based query files, and analysis of data using a query product.

Designed and implemented an automated annual statement system that processes diskettes submitted from industry and uploads the data to a host-computing environment for editing and loading into query files.

Installed IBM 3812 laser printers and associated enhancements to user environment.

Ordered and installed computer based training courses for PROFS and VM/CMS for the end users.

Systems: The systems programming staff, in addition to maintenance duties, installed and/or modified the following systems hardware and software:

- VM/SP/HPO - New release of the VM operating system.
- ISPF - New version of a product that generates interactive screens for VM/CMS users.
- ISPF/PDF - New version of the VM Program Development Facility.
- OS PL/1 Transient Library - New release of the PL/1 Transient Library that is required for running some other VM products.
- EP3725 - New emulation program for the 3725 communications controller.
- ACF/SSP - System Support Program used to load the communications controller.
- VMMAP - New release of the Virtual Machine Monitor Analysis Program installed to monitor and report on system resource utilization.
- SMART - New release of the VM realtime performance monitor
- VMCENTER - New release of an integrated set of products for managing the VM environment; consists of VMBACKUP, VMARCHIVE, VMSORT, VMSECURE, VMTAPE, and VMACCOUNT.
- PROFS - New release of the Professional Office Management System.
- Info Center/1 - A new release of a software package which combines and improves the features of the on-line inquiry and reporting system.
- OGL/VM - Overlay Generation Language for support of the 3812 laser printers.
- VSE/SP - New version of the VSE operating system.
- SUPER EPAT - New release of the VSE tape management system.
- CICS/VS - New release of the VSE teleprocessing monitor program.
- DMS/CICS/VS - New release of a CICS screen generating program.
- GENER/OL - New release of programmer productivity software used to aid programmers in developing on-line applications.
- CICS/OLEU - New CICS On-Line File Utility to aid programmers working with VSAM files.
- CICS/MAPR - New programmer productivity aid for working with CICS MAPs.
- EASYTRIVE PLUS - A report generating program for VSAM files.
- EZKEY - A package to help end users generate EASYTRIVE code.
- PANAUDIT PLUS - An audit software package.
- IBM 3380 - Three new disk drives.
- IBM 3725 - New communications control unit.
- IBM 7171 - Protocol converter for ASCII dial up lines.
- IBM 5842 Modems - Modems for dial-up lines.
- STC 5000 Printer - Newly installed system printer.
- IBM 3812 Printers - New departmental laser printers.
- IBM 7372 Pioter - New color plotter.
- IBM 3274 Control Unit - Six new terminal control units.
- IBM PC/XT and PC/AT - Host-connected personal computers.
- IBM 3179G - New user work stations.
- Telex 078, 079, 179, and 180 - New user terminals.
- HP Printers - Hewlett Packard Laser Jet printers for use in areas outside the computer room.

Operations: During Fiscal Year 1987 this Section installed five control units; model 3274, 20 terminal multiplexors, one STC model 5000 line printer (the IBM 1403 was replaced), a 3725 communications controller (the 3705 was replaced) and a 7171 remote controller for TWX/Dial-up lines. Two 3272 control units were removed and replaced with 3274 control units. Operations currently have a total of fourteen 3274 and two 3272 control units. A total of 126 network requests

were processed, which included, installing new and/or relocating existing terminals, PCs, other devices and coaxial lines. There were a total of 192 lines and 196 devices involved in these requests.

A total of 496 terminal type devices are currently installed and supported by network and operations. The magnetic tape library contains 2,950 reels, of which 2,000 are controlled by the automated tape library system (EPAT), 375 are non-EPAT (VM systems), and 575 are inforex for Data Entry. Approximately 300 million lines of data were printed in Fiscal Year 1987 and more than 34,200 batch production and programmer test jobs were processed on the computer.

The Data Entry Section keyed and verified 6,507,922 records in Fiscal Year 1987. These records contained 140,696,612 keystrokes. These totals are lower than Fiscal Year 1986 because most of the data for Worker's Compensation Stat Cards was punched by a service agency in early Fiscal Year 1987. Also, some of the Data Entry function has been moved to user areas such as Agents' License.

Legal and Compliance

The Legal and Compliance Program is comprised of four activities under the direction of the Deputy Commissioner for Legal & Compliance. The activities are: (a) Legal Services, (b) Complaints, (c) Investigations and (d) Unauthorized Insurance.

Legal Services

The Legal Services Activity has the statutory authority to represent the staff of the agency on an attorney/client basis within the administrative process. The attorneys in this Activity:

- participate in all Board and Commissioner hearings and meetings in which legal support is requested or required, interacting with other agency staff and the public in accumulating, preparing and presenting evidence at such hearings;
- prepare Board and Commissioner Orders relating to contested case hearings or administrative rulemaking pursuant to the *Administrative Procedure and Texas Register Act;*
- participate in conferences with the staff and the public and/or industry in preparation for the performance of statutory duties in which legal support is required;
- draft rules and regulations in accordance with the statutory authority set out in the *Texas Insurance Code;* and
- respond to requests for legal assistance and opinions from the Board, the Commissioner and various agency staff members.

The complexity of matters assigned to the staff of Legal Services has continued to increase. Vigorous pursuit of contested cases may result in hearings that last for several days. These cases may then proceed to motions for rehearing, subsequent appeals to the Board and occasionally, appeals to the District Court. Other major areas in which the legal staff is involved include the following:

- increased activity in the credit life field resulting from the increasing number of insurers writing this line of insurance;
- expansion of the number of entities seeking to establish Health Maintenance Organizations as well as single service Health Maintenance Organizations which results in increased legal representation of the staff to address legal questions in this area and to review a wide range of applications, plans and other documents;
- actions against unauthorized insurers to protect the public;
- filings by insurers of suits protesting payment of premium taxes;
- ruling in *Texas Catastrophe Property Insurance Association v. Hugh M. Miller,* 625 S.W.2d 343, in which the courts have determined that any party aggrieved by a decision of the TCPIA must appeal that decision to the Board prior to proceeding in District Court;
- increased hearings regarding acquisition of control of domestic insurers, many of which are contested, sometimes requiring two weeks or more for hearings;
- increased enforcement of report filing deadlines (for title insurance and surplus lines insurance reports and in the area of annual statements) necessitating hearings involving noncompliance which may result in monetary forfeitures or revocations;
- more frequent use of recently adopted grievance procedures in personnel matters;
- placing of companies in supervision and if the company is not capable of rehabilitation, the certification to the Attorney General for filing for the appointment of a receiver and whatever other action may best protect the general public;
- open records requests made by the press and public;
- observed increase in the procedural complexities of regulating the insurance industry and administering the *Texas Insurance Code* under the *Administrative Procedure and Texas Register Act* which encompasses highly structured procedures for contested cases, hearings, rulemaking and internal administrative appeals to the Board; and
- disciplinary proceedings against insurance agents which, because of their complexity, require many hours and days of preparation by an attorney before a hearing can be set.

During Fiscal Year 1987, the Investigations Activity was merged into Legal Services. This action was taken to promote efficiency and streamline the processing of matters meriting investigation. Specifically, each investigator was assigned to work with an attorney with respect to each investigation and to consult and take instructions from the attorney concerning the handling of the investigation. By making attorneys responsible for the initial screening of allegations of unlawful actions as well as for the direction of the investigation, it has focused investigative efforts in determining whether or not the facts warrant prosecution. Also, the merger has resulted in utilizing investigative personnel more fully as investigators rather than as administrators.

Therefore, since the merger, Legal Services has become responsible for investigating alleged violations of the insurance laws of this State by licensees of the Agency. During Fiscal Year 1987, 1,045 written complaints were received resulting in 1,102 field investigations being conducted in which complainants were contacted for written statements, witnesses were located and credible evidence was developed to present at formal hearings.

During Fiscal Year 1987, financial expertise of the investigative staff was also utilized to assist other areas of the Agency in preparing cases involving violations in the Bond and Title areas. These types of cases became lengthy and complex in nature. Computerization techniques, first developed in Fiscal Year 1985, have been essential in handling these types of cases. These investigations resulted in the return of $334,790 to insureds, preventing potential catastrophic losses resulting from no insurance coverage and collection of premium tax due.

Complaints

This Activity assists the general public, policyholders and claimants who make written complaints or inquiries or who are dissatisfied with action taken by licensed insurance companies in regard to claim benefits, underwriting practices, premium rates or questionable business practices. Assistance involves accepting, examining and analyzing complaints relating to treatment of policyholders; determining appropriate action to be taken for disposition of cases; compiling information for legal proceedings and performing other related tasks assigned.

The Board has no statutory authority to settle a bona fide claim dispute between a policyholder or claimant and an insurance company; however, the fact that the Board reviews individual complaints and insurers' business practices frequently results in a more thorough review of individuals claims/complaints and a resolution more acceptable to both the insurers and the claimants.

Closed complaint cases are tabulated by company, type of complaint, reason for complaint and disposition. A monthly report is prepared reflecting the above mentioned activities for each company doing business in this State. This report indicates trends in complaints and is used to judge management of a particular company as compared to other companies writing the same or similar lines of insurance. An abnormal change in type or number of complaints discloses early symptoms of possible problems within a company. In the event of a significant increase, the insurer is required to explain the reason for the increase and explain how problems that exist will be corrected. Telephone calls, especially through the toll free consumer hotlines, show a continuing and significant increase.

Figure 5. Summary of Activity - Complaints

	FY 86	FY 87
New Cases Life, A&H	13,175	12,689
New Cases Property/Casualty	8,696	8,273
Telephone Inquiries	68,221	56,006
Letters Prepared	46,045	43,749
Additional Claims Paid		
Life, A&H	$ 4,811,476.80	$ 7,030,487.43
Property/Casualty	$ 5,474,644.32	$ 5,542,246.90

Unauthorized Insurance

The Unauthorized Insurance Activity performs the staff functions of review, evaluation, investigation, inter/intra-agency coordination, and recommendation for necessary actions to support the Commissioner of Insurance in fulfilling the responsibilities and duties imposed by Article 1.14-1 of the Texas Insurance Code.

These responsibilities include the protection of the public from acts by persons or insurers not authorized to transact insurance business; protection of legitimate insurers from unfair and unregulated competition and the collection of any taxes which may be due from unauthorized insurers, except unauthorized eligible surplus lines insurers.

The Activity also performs the related functions of answering citizen claims and complaints, supporting the office of the Attorney General in the litigation process and assisting the Liquidation Activity, as may be required or requested, in administering the estates of unauthorized activities placed into receivership.

Figure 6. Summary of Activity - Unauthorized Insurance

	FY 86	FY 87
Cases Opened/Reopened	155	596
Cases Reviewed	235	177
Cases Referred for Injunctive Relief	9	4
Cases Referred for Administrative Action	28	19
Site Visits/Examinations	20	20

Casualty Insurance Rating and Regulation

This Program is comprised of four activities in Fiscal Year 1987: (a) Automobile, Bond, Burglary, Plate Glass, Miscellaneous Casualty Insurance Lines, and Title, (b) Workers' Compensation, (c) General Liability and Rate Modification and (d) Professional Liability. These Activities are under the administrative direction of the Deputy Commissioner for Casualty Insurance.

Automobile, Bond, Burglary, Plate Glass, Miscellaneous Casualty Insurance Lines and Title

This Activity administers the statutes and Board regulations pertaining to (a) Automobile, (b) Bond, Burglary, Plate Glass and Miscellaneous Casualty Lines and (c) Title Insurance.

Automobile: Functions of this Activity can be generally categorized as research, development and review of existing and proposed automobile insurance policy forms, endorsements, coverages and manual rules. In addition, this Activity acts as an administrative and coordinating office in connection with the stamping office and advisory activities of the Texas Automobile Insurance Service Office (TAISO) and the general functions of the Texas Automobile Insurance Plan (TAIP). Specific tasks include reviewing and checking of automobile experience rating, composite loss ratings, review and processing of individual risk automobile Consent to Rate applications and statewide class rate deviation applications.

In Fiscal Year 1987, considerable staff time was devoted to continuing development of the *Texas Readable Business Auto Policy, Garage Policy* and *Truckers Policy*. Further, the *Texas Automobile Insurance Manual* is in the process of being completely revised by staff/industry committees.

Automobile insurance accounts for over 41.9 percent of the Texas total premium for all lines written by property and casualty companies. For the 1986 calendar year, written premiums on automobile insurance in Texas for all licensed companies (except county mutuals) amounted to $4,130,548,957. Written premiums increased $341,534,163 or .92 percent over the previous year. County mutual insurance companies, which are exempt from the uniform automobile insurance rate law, had written premiums in the 1986 Calendar Year of $887,277,244. This represented an increase of $98,829,520 or 12.5 percent, from the previous year. The non-rate regulated county mutual insurance companies now write 17.7 percent of the automobile insurance premiums in Texas.

As of August 31, 1987, there were 279 approved automobile insurance rate deviations consisting of 71 downward and 25 upward on commercial automobiles and 121 downward and 62 upward on private passenger automobiles. During Fiscal Year 1987, there were 21 new deviations processed and 29 amendments. Total automobile insurance rate deviations processed were 225. The average downward deviation was 13.3 percent and the average upward deviation was 29.7 percent. Private passenger automobile insurance public hearings were held on December 3, 1986 and rates were revised by a statewide average of 9.8 percent. All classes and coverages were effective May 1, 1987.

Consent to Rate authority resulted in 71,450 individual risks being submitted for rating in excess of the Board's prescribed rates. Seventy-one thousand one hundred and forty nine of these were approved. Consent to Rate requests increased by 133 percent.

There were 1,519 individual risk submissions received and processed. Individual risk submissions are specifically approved by Board Order under the Board's *Extended Coverage and Unclassified Rule*.

Two hundred forty-four automobile rate filings were handled for county mutual insurance companies as those companies are still expanding their facilities to underwrite automobile insurance.

Automobile insurance inquiries and complaints (letters, telephone calls and visitors) resulted in 30,223 responses including 3,423 logged written complaints. The increase of approximately 7 per-

cent in the number of logged written complaints can be attributed to the current market conditions and the "complaint notice" which is required under Article 1.35, Texas Insurance Code.

Figure 7. Summary of Activity - Automobile

	FY 86	FY 87
Experience Rating Files Processed	52,561	56,972
Composite Rating	1,105	1,103
Loss Rating	173	195
Nonstandard Limits	334	43
Liability Rating Received	15,144	11,286
Experience Rate Ownership and Related Inquiries Processed	35,805	44,345
(Administrative Procedure and Texas Register Act) Filings Processed	-0-	-0-
Specimen Automobile Policies Reviewed and Processed	132	135
State Agency Auto Policies Reviewed and Processed	87	87

Bond, Burglary, Plate Glass and Miscellaneous Casualty Lines: This Activity commonly referred to as the Bond Activity, assists with the administration of statutes and Board regulations pertaining to Fidelity and Surety Bonds; Guaranty Agreements; Personal and Commercial Crime Insurance and Residential and Commercial Glass Insurance. The Miscellaneous Casualty Lines administered by the Bond Activity include Mortgage Guaranty Insurance and Credit Insurance Coverages.

The Bond Activity reviews and exercises supervision over the rules, rates, policy forms and endorsements for the insurance lines mentioned above. The Activity also investigates complaints filed against insurance companies which involve these lines of insurance. During Fiscal Year 1987, the Bond Activity received 136 new complaints, closed 118 complaints and referred 12 complaints to other divisions within the agency. At the end of the Fiscal Year 1987, there were 49 unresolved complaints.

Two bulletins were prepared and distributed to all insurers and agents writing Crime, Glass, Mortgage Guaranty, Credit Insurance and Bonds. The bulletins advised companies and agents of policy forms and rate changes that were approved by the Board during the fiscal year.

The total premiums written in Texas for the year ending December 31, 1986, by insurance lines were as follows: Fidelity, $35,505,408; Surety, $142,859,446; Glass, $1,279,020; Burglary and Theft, $6,163,590; and Credit Guaranty, $100,118,077.

Figure 8. Summary of Activity Bond, Burglary, Plate Glass and Miscellaneous Casualty Lines

	FY 86	FY 87
Filing relating to rules, rates and policy forms	168	108
Experience Ratings	1,814	799
"a" Rate Board Orders	276	285
Consent to Rates	2,486	2,511
General Information Requests	8,698	6,932
New Experience-Rated Risks	204	399
Hearings	9	2

Title: The Title Activity functions under the supervision of the Director of Automobile and Miscellaneous Casualty Lines Division and is responsible for the administration of the statutes and regulations pertaining to the business of title insurance in the State of Texas. Title insurance is totally regulated in Texas; all insuring forms are promulgated by the Board and the all inclusive premium rates are established by the Board at the annual hearing held each November pursuant to statute. At the 1987 annual title hearing, the Board considered 36 agenda items. Many of these agenda items grew from the proposals of the special Title Insurance Advisory Committee which issued its final report September 18, 1986.

During the fiscal year ending August 31, 1987, the Title Activity referred 163 matters to the Legal and Compliance Division, handled 7,999 information requests (including letters, telephone conversations and visitors), reviewed 772 annual escrow audit reports (including revised audit reports), reviewed 134 agency contracts and prepared 148 Commissioner Orders. As of August 31, 1987, the Title Activity had 53 open complaints. The records indicate that 83 complaints were opened during the course of the fiscal year and 99 complaint files were closed during that period.

Workers' Compensation

The primary regulatory responsibilities of the Workers' Compensation Activity are performed by three Sections within this Activity: the Rate Modification Section, the Policy Review Section and the Classification Section. Each Section has its own function with all Sections coordinating their efforts to see that experience modifications are calculated for those insureds that qualify for such a modification, that policies are written using the correct rates and endorsements and that insureds are properly classified based on the available information. All of these Sections are supported by the File Section which maintains Board files and their contents, numbers incoming mail, performs file reductions, sets up new files and performs other related duties.

In order to carry out these responsibilities, Workers' Compensations' daily reports, with an estimated annual premium of $1,500 or more endorsements and cancellations, are required to be filed with the State Board of Insurance. They are then reviewed to ownership, classifications, rates, experience modifications, coverage, etc., and are either accepted, if found to be in order, or questioned through correspondence, if found not to be in order. In some instances, it is necessary to make field inspections in order to determine the proper classifications for a particular insured. There are currently three employees whose primary function is to travel throughout the State making such inspections.

The rising cost of Workers' Compensation insurance, coupled with the economic condition of the State, resulted in many oral and written inquiries concerning the statutory requirements of Workers' Compensation. The number of complaints handled by management increased 80 percent, which is a reflection of the economy and the condition of the Workers' Compensation market.

Aside from the normal managerial duties, considerable time was spent by the Activity Manager reviewing proposed legislation and preparing fiscal notes, and studying the automation of the Workers' Compensation Activity. Steps have been taken to begin the long-awaited automation process.

Figure 9. Summary of Activity - Workers' Compensation

Interpretations Rulings		Board Hearings Attended	10
By Letter	976	Board Orders	18
By Telephone	7,702	Office Conferences	105
Office Visits	170	Meetings Attended - Away	7
Complaints	159		

Policy Review Section: This Section is responsible for the review of the policy submittals, so that, when accepted, the policy provides the desired coverage with appropriate classifications and corre-

sponding rates. Unfortunately, only a fraction of submittals can be reviewed because the volume received is much greater than the Section is currently able to handle. Consequently, it is necessary to review submittals on a selective basis. Risks selected for review include those risks which have changed carriers, as well as those which have had no prior record of coverage. All new risks, regardless of size, are checked for ownership and classification before approval.

The output from this Section increased in several areas this year due mainly to a three-week test administered during the summer to determine if more files could be processed by reviewing selected items on the policy and selected endorsements, as determined by management, rather than auditing all items on the policy and all endorsements. It was determined from the test that many more files can be processed using the reviewing method rather than the auditing method. As we move towards automation, the results of this test will be taken into consideration upon changing the workflow of this Section in order to be more efficient and more effective. Most of the employees were involved, to some degree, with employees from Data Processing in the preparation of the Workers' Compensation Policy Review Systems Planning Document.

The decrease in the new risk policies can be attributed to a change in the Stamping Department Rules and Procedure Section of the Workers' Compensation Manual, which eliminated the requirement of dailies to be filed with the State Board of Insurance, if the premium is less than $1,500. This Section continued to help with the special purge of the files that began in December 1985. About 4,750 hours were spent during the year on the purge, which is now completed. The Texas Workers' Compensation Assigned Risk Pool continues to be the largest writer of Workers' Compensation insurance. This Section works closely with the Pool and spent almost 3,500 hours assisting them. Currently, there are two technicians are assigned to work with the Pool.

Figure 10. Summary of Activity - Policy Review Section

Daily Reports Approved	37,850	New Risk Files Created and Worked	18,099
Endorsements Separately	61,237	Inter-state Rated Files Worked	7,300
Cancellations Separately	18,746	Intra-state Rated Files Worked	32,177
Disapprovals Written	18,520	Computer Transaction Request Forms	29,400
Letters Written	5,100	Files Destroyed	37,273
Telephone Calls	3,121		
Office Visitors	76		
Non-rated Files Worked	33,055		
Files Purged	72,074		

Classification Section: This Section concerns itself almost exclusively with the assignment of classifications to operations of policyholders. In addition to working closely with the Policy Review Section and the Assigned Risk Pool on more complicated classification matters, the staff corresponds and otherwise communicates directly with insureds, insurance agents and insurance companies on matters relating to classification of the many and varied business operations which exist in Texas.

In the performance of its duties, the Classification Section conducted 862 field inspections. The majority of the inspections made are a result of requests received from insureds, agents and/or insurance companies. With substantial increases during the last two years in Workers' Compensation rates, there has been a dramatic increase in the number of requests for inspections. However, with only three insurance specialists to cover the entire State and limited travel funds, it is difficult to be able to honor all requests on a timely basis. Inspections are made as soon as possible after the requests are received.

During the fiscal year, the number of telephone inquiries increased 15 percent. It has become a very important aspect of this Section's functions to assist insurance carriers and agents in determining the proper classification for an insured's operations through telephone inquiries. This increase in telephone inquiries is directly related to the increase in Workers' Compensation rates.

Figure 11. Summary of Activity - Classification Section

Interpretations & Rulings		Files Audited	3,796
By Letter	2,683	Plant Inspections	862
By Telephone	23,919	Days of Travel	249
Office Visitors	84	Total Miles Traveled	36,284
Inspection Cards Made	832	Average Travel Cost per Inspection	$18.35

File Section: This Section continues to operate as smoothly and efficiently as possible in spite of the constant deluge of paper and the normal turnover of personnel. The employees in this Section have also been actively involved in the file purge which began in December, 1985. In addition to working on the purge, some employees are involved in keeping the policy technicians supplied with files to purge. This takes time away from their usual duties.

The number of new files created decreased by 55 percent. This decrease can be attributed to the change in the Stamping Department Rules of the Workers' Compensation Manual to eliminate the filing of daily reports for policies with premium under $1,500. This rule change was made in order to gain additional file space. The dramatic increases in the number of files worked in file reduction and the number of files destroyed can also be attributed, in part, to this rule change; in part, to the file purge that began in mid 1985; and finally in part, to the three-week test program administered during the summer that ultimately changed the workflow in the Policy Review and File Sections.

The Workers' Compensation Activity continues to have on-line computer capability for adding records, deleting records and updating records in the Workers' Compensation locator system. This capability makes it possible to have more accurate information available through the locator system since changes can be made on a more timely basis.

Figure 12. Summary of Activity - File Section

New Files Created	14,665	Inter-state Rating Forms Received	15,997
Files Worked in Reduction	113,878	Incoming Mail	598,638
Files Destroyed	60,532		
Computer Transactions:			
Records Deleted	192,532		
Records Added	45,281		
Records Updated	16,076		

Rate Modification Section: This Section is responsible for promulgating experience modifiers for policyholders who qualify for rating based on minimum level of premium as determined by rules of the *Experience Rating Plan Manual*. The purpose of experience rating is to encourage safety in the work place by rewarding the safe employer in the form of a credit modifier, and penalizing the unsafe employer in the form of debit modifiers applied to his premiums. Several vacancies in the Section, for several months, caused a decrease in the number of ratings. However, the Section is currently fully staffed. This should result in an increase in the number of ratings during Fiscal Year 1988.

Actual promulgation of modifiers is accomplished via on-line CRT computer terminals. Statistical input to the computer is accomplished throught six raters, assisted by three verifiers. Statistics used are obtained from unit statistical reports filed by carriers in accordance with rules outlined in the *Unit Statistical Plan Manual*. As in the Policy Review Section, much correspondence is needed to request unit statistical filings which are required and which should be routinely filed by the carriers.

The Rate Modification Section receives a large number of inquiries both by telephone and mail regarding modifiers, from insureds, carriers, and agents. In addition, the number of visitors seeking similar information is quite large.

Figure 13. Summary of Activity - Rate Modification Section

Ratings	37,238	Letters Written	1,345
Rate Cards	28,377	Telephone Calls	36,796
Letters of Authority	26,978	Visitors	1,074
Request for Unit Statistical Cards	3,649	Re-raters	532
Data Requests	36,586	Non-Qualifying Ratings	3,165

General Liability and Rate Modification

One of the most important functions of this Activity is analyzing and processing, for the Board's approval, various policy forms, endorsements and manual rates and rate filings. Because of the liability crisis, a greater increase in revisions to standard programs has occurred and the additional miscellaneous programs filed with this Activity have frequently required research into existing programs as well as legal assistance and/or technical advice due to the enactment of various laws affecting all types of liability insurance.

Insurance companies are increasing rates, dropping risky lines of coverage, placing more restrictions on policies, increasing deductibles, lowering coverage amounts and using stricter underwriting requirements. As a result, there has been a substantial increase in inquiries and staff responsibility regarding coverage changes, proper classifications and rating procedures.

The written premiums for General Liability and Boiler and Machinery Insurance, including both bodily injury and property damage premiums, amounted to $1,626,637,760 for Fiscal Year 1987. This represents a 55 percent increase in written premiums.

During the fiscal year, the General Liability Activity reviewed and processed, for the Board's approval, 67,808 special rate filings designated as (a) rates. In addition to the special (a) rate filings, this Activity reviewed, analyzed, and recommended for approval, 39,987 special excess filings; the regulation of which, was placed under this Activity by Board Order dated August 1, 1962, which provides certain requirements for automobile liability insurance written on an indemnification basis.

Figure 14. Summary of Activity - General Liability and Rate Modification

	FY 86	FY 87
Reviewed and Processed for Board Approval		
Special Rate Filings		
Designated as (a) Rates	70,758	67,808
Recommended for Approval		
Special Excess Filings	51,550	39,987
Letters	1,952	2,411
Board Orders	304	418
New Files	18,580	12,758
Telephone Calls	19,940	24,996
Conferences and Interviews	265	260
Endorsements and Policy Forms	525	610
Retrospective Ratings	5,277	7,258
Work Related to General Liability Experience Rating:		
Experience Ratings	3,976	3,764
Letters	9,792	10,502
Loss and Composite Ratings	692	690
Visitors	248	252
Telephone Calls	5,189	5,120
Microfiche Entries	68,014	60,441

Professional Liability

The Professional Liability Activity has been in operation since September 1, 1985. Prior to that date, professional liability insurance was regulated by the General Liability Activity. It became necessary during 1985 to establish a separate activity to cope with the increased workload in professional liability insurance. The "liability crisis" and legislation delegating new statutory responsibilities to this agency concerning this area of insurance required a specialized activity to effectively cope with the increasing workload and statutory responsibilities in this highly technical insurance area.

The primary function of this new Activity is to regulate professional liability insurance as set forth by the Medical Professional Liability Act, Article 5.15-1 of the Texas Insurance Code and the Texas Medical Liability Insurance Association Act (the Texas JUA) which established a state-controlled insurance pool to provide professional liability for healthcare providers that cannot obtain coverage in the private and voluntary market as set forth in Article 21.49-3 and 3a.

This Activity is responsible for reviewing all medical professional liability insurance programs i.e. the policy contract, endorsement forms, rating classifications, rating rules and rates and making recommendations to the Board concerning the feasibility of new and revised programs for use in the State. The approved programs regulate the insurance that may be purchased from companies licensed to do business in the State that provide coverage for physicians, surgeons, hospitals, dentists, nurses, chiropractors, optometrists, blood banks, nursing homes, medical clinics and other specified types of healthcare providers.

Medical professional liability premiums written by companies licensed in Texas for the Calendar Year 1986 were $122,963,415, compared to $105,769,518 in 1985, for an increase of approximately 16 percent, which is indicative of the increasing workload in this area.

The Professional Liability Activity has also been delegated the responsibility of administering the Amusement Ride Safety Inspection and Insurance Act as enacted by the 69th Legislature. Under

this law, the Activity is responsible for reviewing all insurance policies covering amusement rides operating within the State to determine statutory compliance with the Act. Also, this Activity reviews annual inspection reports required for each amusement ride to determine whether required safety inspections have been made prior to operation of a ride within the State. Other responsibilities include the collection of the filing fees for each amusement ride, receiving and processing injury and death reports resulting from amusement ride accidents and the compilation of statistics from such reports.

Figure 15. Summary of Activity - Professional Liability

	FY 87
Filings	7,912
Audits	1,043
Hearings/Meetings	45
Orders	44
Complaints	35
General Information Inquiries	7,903

Property Insurance Rating and Regulation

The Property Insurance Rating and Regulation Program is divided into four major areas of responsibility, all of which are under the direction and supervision of the Deputy Commissioner for Property Insurance. The areas are (a) Property Rating, (b) Average Rate Office, (c) Insurance Lines and (d) Engineering.

Property Rating

This Activity has the primary responsibility to promulgate rates on all buildings subject to published rates.

Road Crew: During Fiscal Year 1987, the Property Rating Activity inspected and re-rated eight (8) cities and towns in the State of Texas. The inspection and re-rating of these towns was handled by one road crew. New building rates were promulgated for 32,118 buildings and rates on 70,159 buildings were revised to reflect various changes such as occupancy, construction, first aid equipment, key rate changes, additions, etc.

Field Offices: The Property Rating Activity also maintains territorial offices staffed by one or more representatives in the following cities: Abilene, Amarillo, Austin, Beaumont, College Station, Corpus Christi, Dallas, El Paso, Fort Worth, Harlingen, Houston, Lubbock, Midland, San Angelo, San Antonio, Sherman, Texarkana, Tyler, Victoria, Waco and Wichita Falls. In performing their duties, the following was accomplished:

Figure 16. Summary of Activity - Property Rating

	FY 86	FY 87
New Buildings Inspected	31,288	29,627
Existing Building Rates Revised	16,270	18,428
Rates Cancelled	3,419	3,610
Visitors Counseled	2,641	2,622
Number of Telephone Calls	44,013	41,080
Written Requests for Rate Information	2,779	2,770

Computer Rate Service: This Section is responsible for the computer input of specific fire insurance rates. This includes new and revised rates and deletions made from completed town inspections by the Field Rating Office and rates calculated by the Field Headquarters Office.

In addition, this Section furnishes insurance rates by video to insurance companies and by telephone and mail to agents for use in writing policies.

Figure 17. Summary of Activity - Computer Rate Service

	FY 86	FY 87
Property Rate MasterFile Activity		
New Building Rates	24,307	22,725
Deleted Rates	5,031	5,982
Revised Rates	51,355	52,762
Total Activity	80,693	81,469
Rate Requests Furnished		
By Telephone Calls	503,201	455,874
By Letters	128,050	140,196
Total Rates Furnished	631,251	601,033
Active On-Line Master Files	729,814	746,582

Average Rate Office

This Activity is responsible for the calculation and promulgation of average rates which include fire, extended coverage and all perils for property damage, business interruption, extra expense, rents and various other types of insurance where two or more items are involved. This office is further responsible for advising members of the insurance industry and the general public in matters pertaining to the various coverages. In performing the duties of this office, the following work was accomplished during the fiscal year.

Figure 18. Summary of Activity - Average Rate Office

	FY 86	FY 87
Number of Average Rate Bulletins Published	5,267	6,222
Requests for Average Rate Information	8,944	10,675

Insurance Lines

The primary responsibilities of this Activity are as follows:

Commercial Multi-Peril: The regulation of *Texas Commercial Multi-Peril Policies* is established under Article 5.81, Texas Insurance Code. This Section is responsible for answering all written or telephone inquiries concerning the *Texas Commercial Multi-Peril Policy, Texas Commercial Property Policy, Electronic Equipment Protection Policy* and the *Texas Townhouse Policies.*

Responsibilities of this Section also include review of requests for changes to any of the Multi-Peril policies, forms or endorsements and to present recommendations to the Board for final disposition of such requests. Should changes be granted by the Board, this Section is responsible for the promulgation of such changes, including forms and rules. In addition, this Section is responsible for coordination, proofreading and assemblage, printing and distribution of revisions to the *Texas General Basis Schedules (GBS).*

Assistance is also given in the gathering and processing of statistical data for development of the fire record program, and in the adjusting of the package discounts allowed under the various multi-peril policies.

Figure 19. Summary of Activity - Commercial Multi-Peril

	FY 86	FY 87
Requests for Rate Information	6,141	7,114
Number of Complaints Processed	114	83

Inland Marine: This Section is responsible for the regulation of Inland Marine Insurance and Crop-Hail Insurance in accordance with applicable provisions of Article 5.53 of the Texas Insurance Code and of the Texas definition of Inland Marine Insurance. During the fiscal year ending August 31, 1987, this Section acted on approximately 163 filings pertaining to such lines of insurance as Accounts Receivable, Valuable Papers, Stamp Collections, Personal Jewelry, Films and Negatives, Floor Plan Policies, Equipment Dealers, and Crop-Hail Insurance, etc. In addition, approximately 541 individual filings for Excess Rates in connection with various classes of Inland Marine Insurance were processed by this Section.

Petroleum Properties: The Petroleum Properties Section has the responsibility of handling, processing and preparing Board Orders on Plan "C" Deviations, Percentage Deviations and Property Dividends as well as promulgating rates for all eligible petroleum property and approving named rate filings, excess of loss filings and excess rate filings. In performing the duties of this office, the following work was accomplished.

Figure 20. Summary of Activity - Petroleum Properties

	FY 86	FY 87
Plan "C" Deviation Transactions	11	11
Percentage Deviation Transactions	310	336
Dividend Transactions	47	46
Named Rate Filings	730	935
Excess of Loss Filings	28	81
Excess Rate Filings	423	940

Personal Lines: This Section handles rating matters not assigned to other Property Insurance Sections and assists in gathering and processing statistical data for the development of the ratemaking formula and classification of Fire, Windstorm and Extended Coverage Insurance and the making of surveys and investigations as required. Special Multi-Peril policies such as Homeowners and Farm and Ranchowners Contracts are handled by this Section. The activities of various county mutual insurance companies are also supervised in the manner prescribed by law for writing fire and allied lines insurance by these companies. In addition, this Section handles the coordination, proofreading and assembling, printing and distribution of revisions for the *Texas General Basis Schedules* which are approved by the State Board of Insurance each year. Finally, this Section supervises activities pertaining to Article 5.33A of the Texas Insurance Code *(Reduction in Homeowners Premium)*.

Figure 21. Summary of Activity - Personal Lines

	FY 86	FY 87
Requests for Rate Information	1,516	2,235
Number of Telephone Calls	7,665	11,592
Number of Certificates Issued	3,195	5,600
Number of Rate Quotes	500	384
Number of Complaints Processed	279	1,154

Engineering

The Engineering Activity conducts inspection of public fire protection facilities of some 550 cities throughout Texas. During Fiscal Year 1987, 44 such key rate cities were inspected for key rate purposes.

Also during this period, the Engineering Activity reviewed some 1,315 sets of drawings of automatic sprinkler systems and made field inspections and tests of 472 new installations and 103 existing installations.

In addition, inspectors checked 14 cities with new water systems and tested some 50 pumpers from the various fire departments.

This Activity's engineers and inspectors also devote considerable time assisting engineering firms, fire protection contractors and city officials with fire protection problems.

Figure 22. Summary of Activity - Engineering

	FY 86	FY 87
Key Rate Field Inspections	53	44
Key Rate Supplements Published	280	174
Auto Pumpers Retested	69	50
New Waterworks Systems Inspected	8	14
New Automatic Sprinkler Rate, Gradings and Sets of Monthly Inspection Cards Printed	489	489
Automatic Sprinkler Systems Plans Checked	1,390	1,315
Automatic Sprinkler Field Inspections (Old)	101	103
Automatic Sprinkler Field Inspections (New)	392	472
Old Maps Corrected	287	219
New Maps Drawn	12	28
Highly Protected Risk Rates Reviewed and Published	1	141

Corporate and Financial Affairs

The Corporate and Financial Affairs Program is comprised of four activities: (1) Field Examination, (2) Corporate Activities, (3) Corporate Custodian and Tax and (4) Excess & Surplus Lines. These activities are under the supervision of the Deputy Commissioner for Corporate and Financial Affairs.

Field Examination

This Activity is responsible for conducting the examinations required by Articles 1.15 and 1.17 of the Texas Insurance Code. Examinations are necessary to determine the financial condition, ability to meet liabilities and compliance with the laws of Texas affecting the business of insurance of corporations, firms or persons writing insurance of any kind in the State. The Activity also analyzes the results of the examinations and recommends appropriate regulatory actions. The Activity is actively involved in determining statutory insurance accounting principles and procedures.

The Activity is directly supervised by the Chief Examiner, appointed by the Board, under the provisions of Article 1.17 of the Texas Insurance Code. Other personnel include headquarters assistant chief examiner, five administrative support personnel and 52 field examiners. Field examiners are headquartered in the North Texas, Central Texas or South Texas zone, and work under the supervision of a field assistant chief examiner located in each zone.

The Activity is responsible for the regular examination of over 800 Texas chartered insurers, as well as examinations which have been determined to be necessary of non-chartered, licensed insurers and other entities. During Fiscal Year 1987, the Activity completed 226 examinations.

Four of the current examiners have achieved designation as Accredited Financial Examiners and 31 examiners have achieved further designation as Certified Financial Examiners in the Society of Financial Examiners, recognized by the National Association of Insurance Commissioners and by this Agency, as the sole certifying body for professional competence.

Corporate Activities

The Corporate Activities Activity is divided into three Sections of responsibility: (a) Holding Company and Acquisitions, (b) Financial Analysis, and (c) Admissions.

Holding Company and Acquisitions: This Section's responsibility involves administration of the *Insurance Holding Company Regulatory Act*. The Section maintains registration statements of controlled insurance companies, examines transactions between insurance companies and their affiliates, reviews acquisitions of control and mergers of insurance companies and reviews valuation of investments in subsidiaries and affiliates.

This Section reviewed 166 Insurance Holding Company System Registration Statements during the year. Applications for 839 transactions, acquisitions and mergers were filed during the year. Public hearings were held to consider 49 transactions, acquisitions and mergers.

This Section also administers the *Insurance Company Insider Trading and Proxy Regulation Act* and assists in the review of applications under the *Asset Protection Act*. During the year, 154 insider trading reports and 16 proxy solicitations were received and reviewed.

Financial Analysis: This Section is responsible for analyzing the annual statements required to be filed by all companies licensed to do business in Texas, as well as reviewing any interim reports deemed necessary. Approximately 2,355 annual statements were given a preliminary and/or comprehensive review. Complete reviews are conducted on a continuing basis.

Admissions: This Section reviews applications filed by out-of-state insurance companies seeking to be admitted to do business in Texas. During Fiscal Year 1987, there were 49 such applications approved or withdrawn.

Corporate Custodian and Tax

The Corporate Custodian and Tax Activity is divided into three areas of responsibility: (a) Company Licensing, (b) Securities Custodian and (c) Premium Tax.

Company Licensing: This Section processes incorporations, amendments to corporate charters, mergers, withdrawals, dissolutions and various other corporate actions and related licensing activities. The Section also serves as the official custodian for the corporate records of insurance companies that do business in Texas. Charter File updates continue to be processed and readied daily for filming. Those updates previously filmed are now being spliced onto their respective reels of film and reindexed to show the new address. All index retrieval records have now been computerized and a copy of the desired company index information can be retrieved as needed on the accompanying printer. This greatly alleviates the possibility of records being misplaced or lost and enhances the management and maintenance of the microfilmed records.

This Section also acts on behalf of the Commissioner of Insurance in receiving service of process on those companies where he is the attorney for service either by statute or appointment.

This Section responds to public inquiries concerning insurance companies that are licensed in the State of Texas.

Securities Custodian: This Section administers the statutory deposits that are required to be maintained by licensed insurers for the protection of policyholders and creditors. The amount of cash and securities deposited with the Office of the State Treasurer, through the Securities Custodian, increased from approximately $254 million in Fiscal Year 1986 to $256 million in Fiscal Year 1987. The funds held in various banks under joint control with the Commissioner of Insurance and the Attorney-in-Fact, for certain types of companies, increased from approximately $29 million in Fiscal Year 1986 to $30 million in Fiscal Year 1987.

Premium Tax: This Section administers and collects premium taxes, maintenance taxes, retaliatory taxes and fees from approximately 2,287 licensed insurance companies. The amount of taxes and fees collected totaled $396 million for Fiscal Year 1987, as compared to $385 million for Fiscal Year 1986. The amount of premium taxes (including retaliatory taxes) collected for Fiscal Year 1987 was $359 million, as compared to $361 million for Fiscal Year 1986.

Figure 23. Ten-Year Summary: Corporate Custodian and Tax Division: Premium Tax Collections Licensed Insurers

Calendar Year	Tax
1978	131,088,218
1979	152,076,965
1980	161,031,549
1981	165,570,281
1982	172,714,133
1983	186,662,157
1984	322,878,645
1985	330,394,941
1986	361,053,621
1987	358,709,639

Excess and Surplus Lines

The Excess and Surplus Lines Activity has eight positions assigned to varying responsibilities necessary to accomplish the regulation and processing of surplus lines insurance transactions and premium tax collection for surplus lines and independently procured insurance. Workload received from insureds, complainants and agents during the last year included unsettled claims and complaints, affidavits, independently procured premium tax forms and taxes, semi-annual surplus lines

premium tax forms and taxes, annual tax reports, insurer financial statements and adjuster reports. Four hundred and fifty surplus lines agents reported surplus lines business, placed with 250 unauthorized insurers.

This Activity has had an increased volume of activity in the above areas of responsibility each year of its 13-year existence, except for 1983. The 1986 Calendar Year, and 1987 Fiscal Year, reflected the largest premium tax amounts ever recorded in Texas. (See calendar year premium and taxes in Figure 3 and compare with amounts reflected in Figure 2).

The following independently procured and surplus lines insurance premium and tax figures for the last half of 1986, and the first half of 1987, are shown to substantiate the above explanation of activity in the Excess and Surplus Lines Activity.

Figure 24. Premium and Tax Summary: July 1, 1986 through June 30, 1987*

	Premium	Tax
Independently Procured Insurance	$49,893,751	$1,920,909
Surplus Lines Insurance	$676,699,942	$26,052,948
TOTAL	$726,593,693	$27,973,857

**Excess and Surplus Lines statutory requirements necessitate compilation by surplus lines agents of semi annual reports for periods January 1 through June 30 and July 1 through December 31 each year. Independently procured insurance premium volume (Form F-SBI-FT-1) and taxes are posted as remitted throughout the year even though there are peak periods of remittance. Totals are herewith quoted for identical periods of time for which surplus lines premium taxes are reported.*

Figure 25. Ten-Year Summary Combined: Surplus Lines and Independently Procured Insurance

Calendar Year	Premium	Tax
1974	53,325,236	2,063,029
1975	71,545,632	2,754,508
1976	107,280,619	4,130,308
1977	158,256,897	6,095,915
1978	193,393,772	7,445,746
1979	212,056,149	8,166,961
1980	223,570,065	8,990,022
1981	251,743,023	9,697,258
1982	286,121,476	11,015,842
1983	277,151,762	10,700,343
1984*	296,597,583	11,419,007
1985*	500,508,477	19,269,576
1986*	733,116,937	28,225,002

**Estimated figures as all reports for 1984, 1985 and 1986 have not been cleared.*

Life Insurance and Agent's Licensing

The Life Program consists of three activities: (a) Policy Approval, (b) Insurance-Related Activities and (c) Agent's and Adjuster's Licensing. They are under the supervision of the Deputy Commissioner for Life Insurance.

Policy Approval

The functions of the Policy Approval Activity are performed by: (a) the Individual Life Policy Section, (b) the Individual Accident & Health Policy Section, (c) the Group Life and Group Accident & Health Policy Section, (d) the Credit Life Section and (e) the Advertising Section.

The work of the Policy Approval Activity is under the general supervision of the Activity Manager, and is performed by a staff of section managers and insurance technicians who are responsible for the review and analysis of all new and revised Life, Annuity, Credit, Advertising, and Accident and Health policy forms. The purpose of the review is to determine whether such forms comply with the insurance statutes and the rules and regulations of the State Board of Insurance. Based upon the determinations of the staff, recommendations are made to approve or disapprove such forms in accordance with the applicable statutes of the Texas Insurance Code.

During the fiscal year ending August 31, 1987, action was taken to approve or accept 15,094 forms and pieces of advertising and to disapprove 2,147 forms, with 919 policy forms withdrawn from consideration at the request of the companies. Action was taken on 1,742 resubmissions and 8,676 forms were filed pursuant to Subchapter Z, Chapter 3, Part I of Title 28, Tex. Admin. Code during the fiscal year ending August 31, 1987, bringing the total policy flow count to 28,638. These totals are exclusive of riders, applications and endorsement forms filed with basic life and annuity policies, and any initial contact with companies regarding advertisements or solicitation. The Activity processed special statistical studies involving Subchapter T, Chapter 3 of Part I, Title 28, Tex. Admin. Code and the Annual Credit Call during Fiscal Year 1987.

Figure 26. Summary of Activity - Policy Approval

	Total	Stipulated Premium	Individual Life	Individual A & H
Forms Pending at Beginning of Year	7,115	1	569	1,462
New Submissions During the Year & Renewals of Approvals	25,631	72	5,885	5,617
Resubmissions During the Year	1,742	0	800	0
Total for Consideration	34,488	73	7,254	7,079
Forms Affirmatively Approved, Accepted By Advertising or Renewed	15,094	44	2,155	4,827
Forms Disapproved	2,147	0	1,048	4
Total - Action Taken	17,241	44	3,203	4,831
Forms Filed	7,757	11	3,223	760
Forms Withdrawn at Request of Co.	919	2	73	370
Total Pending at end of the Year	8,571	16	756	1,118

	Group A&H	Group Life	Group Comb.	Credit Life	Advertising
Forms Pending at Beginning of Year	1,249	176	109	107	2,528
New Submissions During the Year & Renewals of Approvals	7,759	847	2,492	742	2,360
Resubmissions During the Year	443	25	161	313	0
Total for Consideration	9,451	1,048	2,762	1,162	4,888
Forms Affirmatively Approved, Accepted by Advertising or Renewed	3,348	523	1,323	694	2,180
Forms Disapproved	567	30	170	328	0
Total - Action Taken	3,915	553	1,493	1,022	2,180
Forms Filed	3,241	172	343	8	0
Forms Withdrawn at Request of Co.	216	37	142	79	0
Total Pending at end of the Year	2,079	286	784	53	2,708

Insurance-Related Activities

This Activity focuses on regulation of three unique types of insurance-related activities: (a) Health Maintenance Organizations, (b) Prepaid Legal and (c) Premium Finance Companies.

Health Maintenance Organizations (HMO)/Prepaid Legal Section (PPL): The work of the HMO and PPL Section is under the general supervision of the manager of insurance-related activities and is performed by a staff of Insurance Technicians and Examiners who are responsible for the review and analysis of all HMO filings governed by Article 20A, Texas Insurance Code and State Board of Insurance Rules. All PPL filings are governed by Chapter 23 and Article 5.13-1, Texas Insurance Code and State Board of Insurance Rules. The purpose of the review is to determine whether such filings comply with the above referenced statutes and State Board of Insurance Rules and Regulations. Based upon the determinations of the Manager, Insurance Technicians and Examiners, recommendations are made to approve, accept for information, or disapprove such filings in accordance with the applicable statutes of the Texas Insurance Code.

During the Fiscal Year ending August 31, 1987, the HMO and PPL Section received 10,659 filings. Action was taken on 11,970 filings. These totals consist primarily of new and revised evidence of coverage forms; rate filings; Art. 20A.04 and Art. 20A.06, filings required subsequent to receiving a Certificate of Authority which include Provider Contracts; Management Contracts, Organizational Documents (Bylaws and Articles of Incorporation); Purchase, Construction and Lease Agreements; Officers and Employee Bonds; Reinsurance Contracts; Marketing Plans; Surety Bonds; Financial Statements; Complaint Procedures, Quality Assurance and Utilization Review Mechanisms and Change in Ownership or Control. Ninety-eight audits and site visits were made, four applications for a Certificate of Authority were received and nine were approved, seven non-contiguous Service Area Expansions (Activities) were received and nine were approved, and 8,626 telephone inquiries for information and assistance were received during this time period.

The workload of the HMO Section has increased during this fiscal year due to the continued growth of HMOs as an alternative health care system in Texas.

Premium Finance: The functions of this Section include licensing, examinations, investigation and regulation of insurance premium finance companies and the preparation and upgrading of procedures, policies and operating manuals which are required for internal operations.: At the present time, there are a total of 475 licensed insurance premium finance companies; 72 new licenses were issued during the period of September 1986 through August 1987. In December 1986, 450 licenses were renewed for the year 1987. In addition, 97 premium finance companies were examined. No banks were examined during this period. No out-of-state companies were examined during this period.

During May and June 1987, 459 annual reports were received and analyzed. The companies whose annual reports reflected problem areas were re-examined or asked for additional information.

The Premium Finance Section has conducted 337 investigations of complaints involving premium finance companies. The investigations were conducted by the Examiner, License Technician and the Director of this Section.

Agent's and Adjuster's Licensing

This Activity is responsible for testing and licensing insurance agents and adjusters. Staff review and process license applications for issue and renewal; approve and cancel company appointments of agents; develop, administer and grade qualifying examinations; review and approve training programs; and produce certifications of license status. In carrying out these responsibilities, the staff engages in constant communication with insurance companies, attorneys, agents, adjusters and potential candidates for licensure by telephone, personal visits and correspondence.

Figure 27. Summary of Activity - Agent's and Adjuster's Licensing

	FY 86	FY 87
Total Licenses Issued	47,100	46,898
Total Licenses Cancelled	27,213	28,993
Total Licenses Renewed	74,118	53,621
Total Additional Appointments Processed	136,253	142,966
Total Additional Appointments Cancelled	105,350	114,235
Total Licenses Current	213,426	266,149
Total Certificates Issued	22,772	24,911
Total Exams Conducted	31,498	31,237
Total Telephone Calls Received	83,177	154,917
Total Letters Written	84,325	91,591
Total Group I C&I Temporary Issued	1,906	1,602
Total Group I Temporary Issued	12,741	12,246
Total Group II Temporary Issued	887	753

Figure 28. Total Issued Renewed and Cancelled

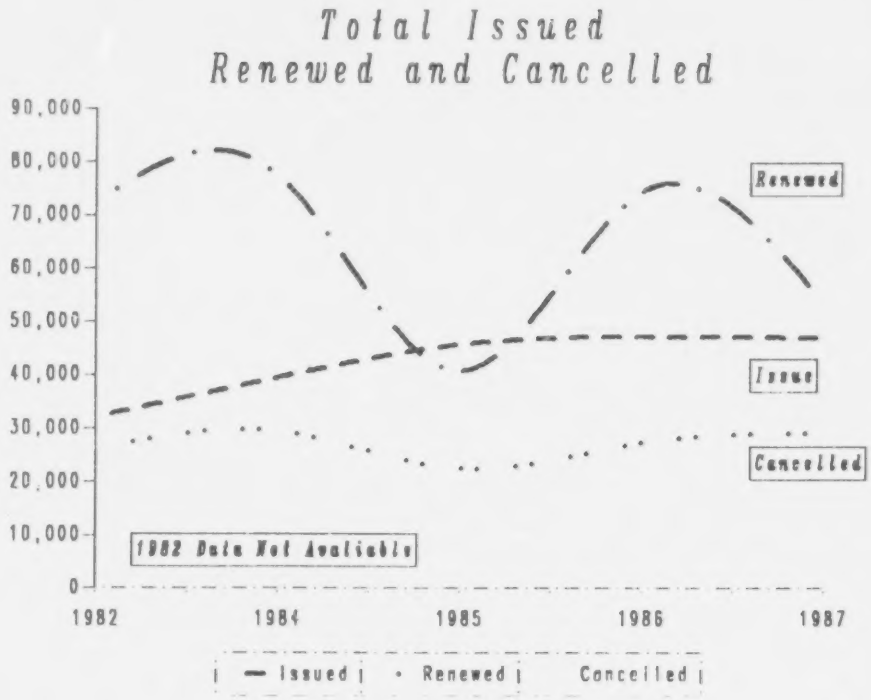


Figure 29. Total Current Licenses

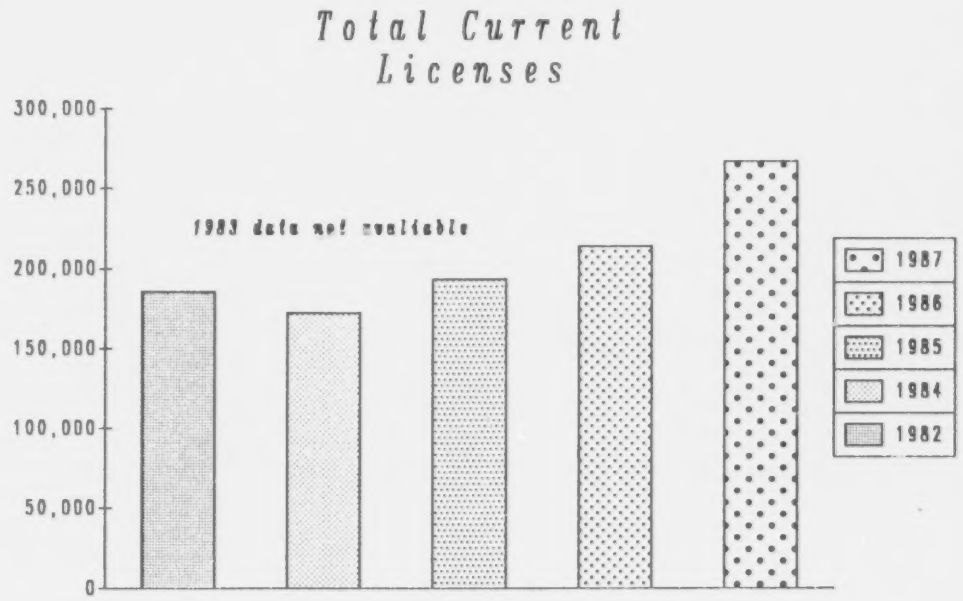


Figure 30. Total Life and Property Casualty 1987

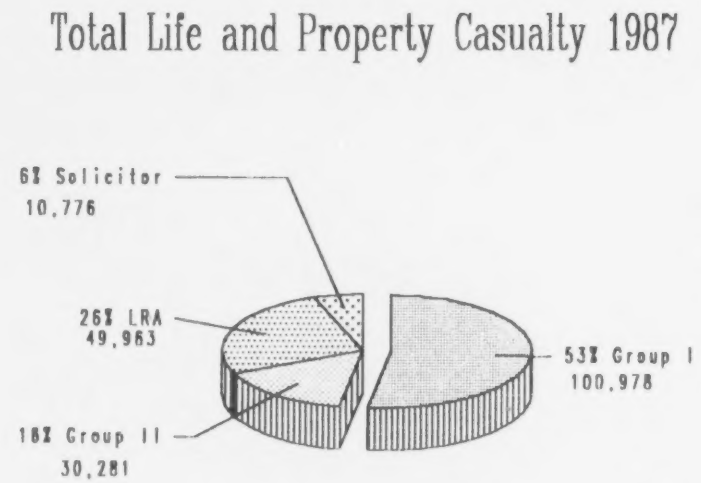
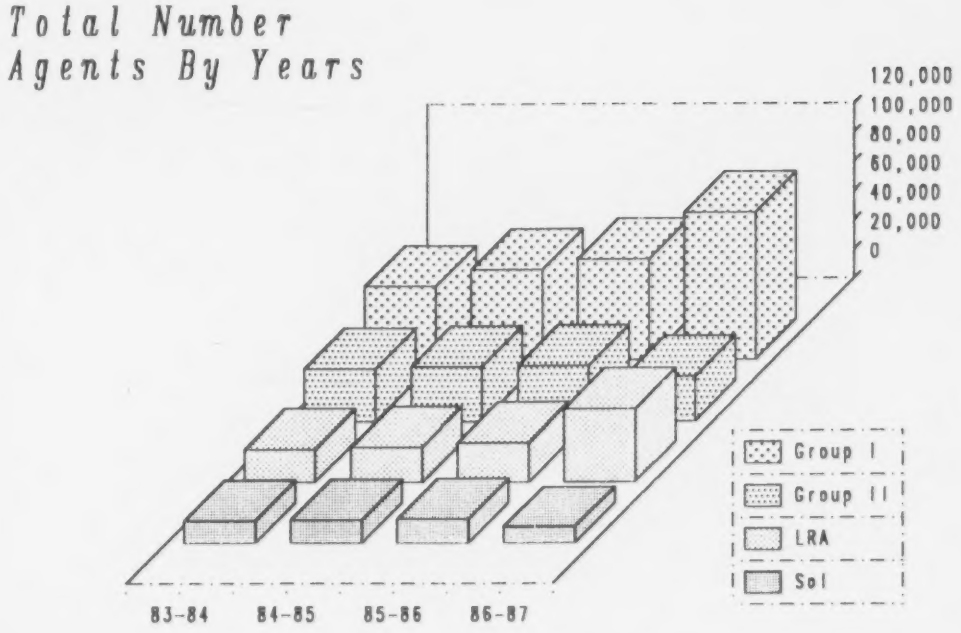


Figure 31. Total Number Agents By Year



State Fire Marshal's Office

The objective of the State Fire Marshal's Office is to reduce the incidence and severity of fires, fire deaths and injuries in the State. Coordination, training and technical support are provided to municipal and rural fire departments, law enforcement agencies, federal and state agencies, as well as other organizations with a need for, or interest, in fire safety. Response is made to requests for assistance from local officials in investigation of fire incidents and prosecution of arson suspects. Facilities are inspected for fire hazards, and guidance and direction are provided in hazard removal. Regulation and licensing of fire extinguisher, fire alarm, fire sprinkler system and fireworks industries are accomplished in accordance with statutory requirements.

This Program is organized into three Activities: (a) General Management, (b) Arson Investigation and Inspection and (c) Licensing; with field offices in Nacogdoches, Duncanville, Lubbock and Corpus Christi.

General Management

It is the responsibility of this Activity to supervise, coordinate, administer and monitor all functions and activities to assure efficient operation and sound application of, and adherence to statutes, codes, rules, regulations and orders. Statistics on fire loss, death and injury data are collected, tabulated, analyzed and provided to the fire service, the general public, and used in the development of internal programs.

During this fiscal year, 42,908 telephone requests for assistance and information were received, with 221,377 pieces of mail received and acted upon. There were 234,001 forms, pamphlets and other fire information literature disseminated. A total of 78 Legislative, Board and Fire Marshal administrative hearings were attended and/or conducted, with 40 Fire Marshal Orders issued.

Arson Investigation and Inspection

Arson Investigation: This Activity provides, upon request, investigations by licensed peace officers of any fire to determine the origin, cause and circumstances and to identify guilty parties in arson fires, assist in their arrest and prosecution and give court testimony, as required.

Figure 32. Summary of Activity - Arson Investigation and Inspection

	FY 86	FY 87
Investigations Requested	481	467
Investigations Conducted	396	382
Follow-up Investigations Conducted	463	559
Findings:		
Accidental	77	83
Undetermined	60	59
Suspicious	68	51
Arson	177	189
Vandalism	14	0
Arson Cases Filed:	88	45
Indictments	78	52
Convictions	66	38
Found Not Guilty	0	0
Cases Pending Court Action Beginning of Fiscal Year	23	42
Indictments Dismissed	3	0
Cases Pending Court Action End of Fiscal Year	42	63
Investigation Training Programs Conducted	17	9

Fire Safety Inspection: This Activity conducts fire and life safety inspections of various occupancies as mandated by statute. Inspection of mercantile, manufacturing and public buildings, and places of public amusement or assembly are conducted upon complaint or request pursuant to Article 5.44, Texas Insurance Code. Inspections of the Texas State Capitol Building are performed in accordance with Article 6145-14, V.A.T.S. Inspection of the storage, handling and use of flammable liquids at retail service stations and operation of mobile service units are conducted in accordance with Article 9201, V.A.T.S. Certain buildings of three or more stories and schools of two or more stories are inspected to determine compliance with Article 3955-3972e, V.A.T.S. Hazards or discrepancies discovered are monitored for compliance by remedy or removal.

Figure 33. Summary of Activity - Fire Safety Inspection

	FY 86	FY 87
Inspections Requested	614	484
Inspections Completed (Includes self-initiated)	1,492	1,087
Reinspections Made	1,485	1,994
Buildings Inspected by Occupancy Type:		
Assembly	329	672
Education	1,046	775
Health Care	101	39
Penal	681	49
Residential	1,004	1,310
Mercantile	67	459
Business	239	948
Industrial	257	61
Storage	41	119
Other	83	48
Mixed	43	24
TOTAL	3,891	4,504
Inspections of Flammable Liquids Facilities	195	256
Inspections of Fireworks Facilities and Display Sites	22	22
Review of Plans for New/Remodeled Jails (Per request of Jail Standards Commission)	49	64

Licensing

This Activity is responsible for certifying companies and licensing individuals as required by statute and verification of applicants' qualifications through examination and application evaluation. Fire alarm, fire sprinkler system and fire extinguisher companies are registered; fire extinguisher servicers, fire sprinkler system responsible managing employees and fire alarm installation superintendents are tested and licensed; and various types of fireworks licenses and permits are issued. Inspections of companies are made and investigations are conducted on suspected violations.

Figure 34. Fire Extinguisher License Summary

	New		Renewal		Total
Certificates of Registration (CRs)	63	$14,175	315	$47,250	378	$61,425
Branch Office CRs	6	300	41	2,050	47	2,350
Licenses	246	6,150	1,110	27,750	1,356	33,900
Apprentice Permits	67	1,005			67	1,005
Hydrostatic Testing CRs	2	250	54	4,050	56	4,300
*Reexamination Fees					39	390
*Late Renewal Fees					133	5,575
*File Revisions					174	1,740

Asterisked (*) items do not represent licenses issued. Revenue amounts are included in revenue totals, but Activity number is not included in totals since it does not reflect number of licenses issued.

Figure 35. Fire Alarm License Summary

	New		Renewal		Total
Certificates of Registration(CRs)	60	$15,000	151	$75,500	211	$90,500
Branch Office CRs	22	1,650	35	5,250	57	6,900
Licenses	107	5,350	312	31,200	419	36,550
*Reexamination Fees					26	260
*Late Renewal Fees					32	1,500
*File Revisions					125	1,250

Asterisked (*) items do not represent licenses issued. Revenue amounts are included in revenue totals, but Activity number is not included in totals since it does not reflect number of licenses issued.

Figure 36. Fire Sprinkler License Summary

	New		Renewal		Total
Certificates of Registration (CRs)	25	$22,500	114	$102,600	139	$125,100
Licenses	38	6,650	168	29,400	206	36,050
*Application Fees					25	1,250
*Examination Fees					38	1,900
*File Revisions					34	1,190
*Late Renewal Fees					21	4,375

Asterisked (*) items do not represent licenses issued. Revenue amounts are included in revenue totals, but Activity number is not included in totals since it does not reflect number of licenses issued.

Figure 37. Fireworks Licenses/Permits Summary

	New		Renewal		Total	
Manufacturer Licenses			2	$ 1,100	2	$ 1,100.00
Distributor Licenses			22	$18,700	22	18,700.00
Jobber Licenses	1	$ 550	19	$10,450	20	11,000.00
Importer Licenses			20	$ 3,000	20	3,000.00
Pyrotechnic Operator Licenses	50	750	370	$ 3,700	420	4,450.00
Retail Permits	4,514	45,140			4,514	45,140.00
Display Permits	302	7,550			302	7,550.00
Display Licenses	2	400	2	400	4	800.00
Agricultural/Wildlife/ Industrial Permits	4	40			4	40.00
*Late Renewal Fees					30	292.50

Asterisked (*) items do not represent licenses issued. Revenue amounts are included in revenue totals, but Activity number is not included in totals since it does not reflect number of licenses issued.

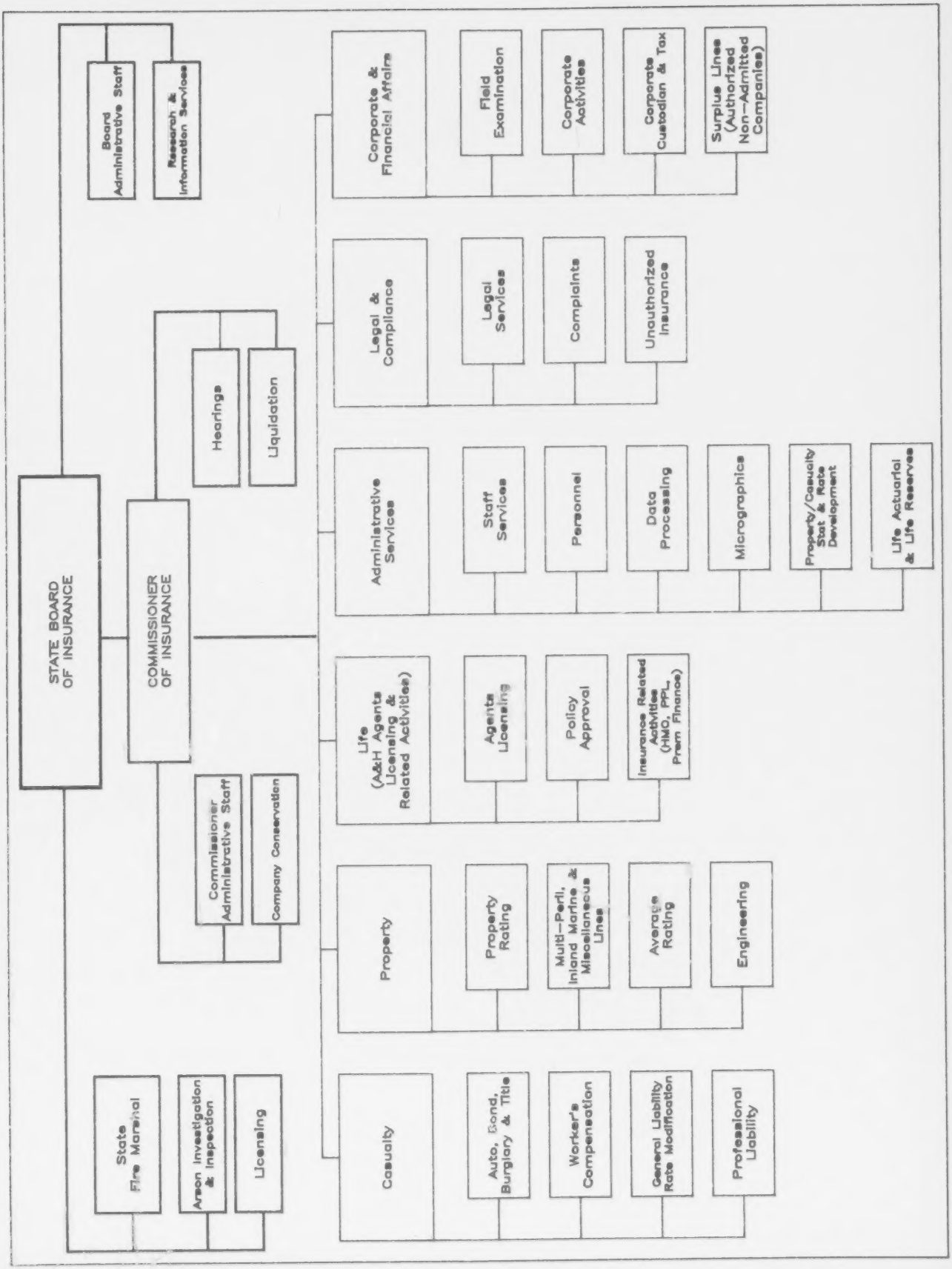
Figure 38. Totals - Fire Extinguisher/Alarm/Sprinkler/Fireworks

	New		Renewal		Total	
Fire Extinguisher	384	$21,880	1,520	$81,100	1,904	$110,685.00
Fire Alarm	189	22,000	498	111,950	687	136,960.00
Fire Sprinkler	63	29,150	282	132,000	345	169,865.00
Fireworks	4,873	54,430	435	37,350	5,308	92,072.50
GRAND TOTALS	5,509	$127,460	2,735	$362,400	8,244	$509,582.50

Figure 39. Totals - Fire Extinguisher/Alarm/Sprinkler/Fireworks

	Fire Alarm	Fire Extinguisher	Fire Sprinkler	Fire-Works	Total
Examinations Administered	162	427	51	46	686
Renewal Notices Mailed	653	1,834	305	497	3,289
Investigation Requests Rec'd.	72	39	34	16	161
Investigations Conducted	55	54	30	38	177
Follow-up Investigations Conducted	64	55	16	21	156
Company Inspections Conducted		1		14	15
Follow-up Inspections Conducted	1				1
Cases Referred for Legal Action	38	4	9	1	52
Hearings Held	35			6	41

Organization Chart



Report on License Activity of Insurance Companies Admitted in Texas

Figure 40. Types and Totals of Companies Licensed in Texas as of August 31, 1987

	DOMESTIC	FOREIGN	TOTAL
Stock Life Insurance Companies	313	645	958
Mutual Life Insurance Companies	4	85	89
Stipulated Premium Life Insurance Companies	66		66
Non-Profit Life Insurance Companies		1	1
Stock Fire Insurance Companies	5	7	12
Stock Fire & Casualty Insurance Companies	109	572	681
Mutual Fire &/or Casualty Insurance Companies	8	72	80
Stock Casualty Insurance Companies	8	49	57
Mexican Casualty Insurance Companies		9	9
Lloyds	90	1	91
Reciprocal Exchanges	13	14	27
Fraternal Benefit Societies	12	28	40
Title Insurance Companies	6	14	20
Non-Profit Legal Services Corporations	1		1
Health Maintenance Organizations	32		32
TOTAL	667	1,497	2,164
Statewide Mutual Assessment Life, Health and Accident Insurance Companies	2		2
Local Mutual Aid Associations	44		44
Burial Associations	16		16
Exempt Associations	16		16
Non-Profit Hospital Service Corporations	1		1
County Mutual Fire Insurance Companies	25		25
Farm Mutual Fire Insurance Companies	26		26
TOTAL	130		130
GRAND TOTAL	797	1,497	2,294

Figure 41. New Companies Organized or Admitted to Texas between September 1, 1986 and August 31, 1987

	DOMESTIC	FOREIGN	TOTAL
Stipulated Premium Insurance Companies	3		3
Stock Life Insurance Companies	2	22	24
Mexican Casualty Insurance Companies		1	1
Fraternal Benefit Societies		1	1
Stock Fire & Casualty Insurance Companies	5	13	18
Stock Casualty Insurance Companies		1	1
Reciprocal Exchanges	1		1
Lloyds	5		5
Health Maintenance Organizations	9		9
TOTAL	25	38	63

Figure 42. Reconciliation

Companies Licensed as of August 31, 1986	2,285
Companies Organized or Licensed During Year	63
	2,348
Less Companies Reinsured, Merged, Withdrawn, Dissolved, Redomesticated or Placed in Permanent Receivership During Year	54
Companies Licensed as of August 31, 1987	2,294

New Domestic Companies Organized or Admitted in Texas

between September 1, 1986 and August 31, 1987

Date Licensed	*Stipulated Premium Companies*
11-07-86	Memorial Service Life Insurance Company Abilene, Texas
12-15-86	Mission National Life Insurance Company Houston, Texas
12-30-86	Texas Funeral Insurance Company Austin, Texas
Date Licensed	*Stock Life Companies*
05-21-87	NPS Life Insurance Company Waco, Texas
12-31-86	USAA Life Insurance Company of Texas San Antonio, Texas
Date Licensed	*Stock Fire & Casualty*
03-13-87	Mid-Century Insurance Company of Texas Austin, Texas
01-30-87	Planet Indemnity Company Houston, Texas
06-09-87	Texas Builders Insurance Company Austin, Texas
06-08-87	Victoria Insurance Company Limited Houston, Texas
02-20-87	Western General Insurance Company Houston, Texas
Date Licensed	*Lloyds*
01-23-87	American Excel Lloyd's Insurance Company Dallas, Texas
12-31-86	American Fidelity Lloyd's Insurance Company Austin, Texas
07-23-87	Commercial Lloyd's Insurance Company Dallas, Texas
10-10-86	Commodore Lloyd's of Texas Dallas, Texas
09-18-86	Republic of Texas Lloyd's Dallas, Texas

Date Licensed	*HMO*
08-31-87	Alliance Health Plan of Fort Worth, Inc. Fort Worth, Texas
07-24-87	Cigna Dental Health of Texas, Inc. Houston, Texas
01-30-87	Metlife Healthcare Network of Tx., Inc. Dallas, Texas
08-03-87	Physicians and Patients Association Houston, Texas
12-18-86	Prudential Dental Maintenance Organization Houston, Texas
03-30-87	Rio Grande HMO, Inc. El Paso, Texas
12-30-86	Safeguard Health Plans, Inc. Dallas, Texas
08-20-87	Texas Health Network, Inc. Houston, Texas
03-31-87	Texas Health Plans, Inc. Austin, Texas

New Foreign Companies Organized or Admitted to Texas

between September 1, 1986 and August 31, 1987

Date Licensed	*Stock Life Insurance*
07-02-87	American Equity Life Insurance Company (Assumed) Hutchinson, Kansas
11-04-86	American Idea Life Insurance Company (A/S of Idealife Insurance Co.) Wilmington, Delaware
04-16-87	American Progressive Life Insurance Company Nashville, Tennessee
04-24-87	American Sun Life Insurance Company Winter Park, Florida
06-08-87	American Western Life Insurance Company Salt Lake City, Utah
09-04-86	Estate Assurance Company Metairie, Louisiana
08-04-87	Fidelity General Life Insurance Company Radnor, Pennsylvania
06-24-87	GNA Insurance Company (A/N of Great Northern Insurance) Seattle, Washington
07-02-87	Golden Security Life Insurance Company Memphis, Tennessee
08-04-87	Life of Boston Insurance Company Malden, Massachusetts
03-02-87	Lincoln National Life Reinsurance Company Fort Wayne, Indiana
11-04-86	Merrill Lynch Life Insurance Company Seattle, Washington
01-16-87	Midamerica Mutual Life Insurance Company Minneapolis, Minnesota
12-19-86	Mid-South Insurance Company of North America (Assumed) Fayetteville, North Carolina
06-24-87	National States Insurance Company St. Louis, Missouri
07-23-87	Old Reliance Insurance Company Phoenix, Arizona
06-03-87	Protective Service Life Insurance Company Jackson, Mississippi
06-24-87	Sentry Investors Life Insurance Company Concord, Massachusetts
02-20-87	The Signature Life Insurance Company of America Schaumburg, Illinois
01-16-87	Sunset Life Insurance Company of America Tumwater, Washington

03-11-87	Transamerica Assurance Company Denver, Colorado
04-07-87	United Teacher Associates Insurance Company Peachtree, Georgia
Date Licensed	***Stock Fire & Casualty Insurance***
08-12-87	Agri General Insurance Company West Des Moines, Iowa
09-04-86	Countrywide Insurance Company Los Angeles, California
02-11-87	Federated Service Insurance Company Owatonna, Minnesota
09-29-86	Government Employees Insurance Company Chevy Chase, Maryland
08-20-87	Hamilton Insurance Company Washington, D.C.
08-20-87	Monumental General Casualty Company Baltimore, Maryland
09-26-86	New Casualty Insurance Company Denver, Colorado
12-19-86	Pathfinder Insurance Company Denver, Colorado
04-01-87	Preferred Abstainers Insurance Company West Des Moines, Iowa
07-23-87	Royal Special Risks Insurance Company Glastonbury, Connecticut
06-08-87	Southeastern Fidelity Insurance Company Atlanta, Georgia
04-01-87	Vanliner Insurance Company Phoenix, Arizona
08-12-87	Warner Insurance Company River Forest, Illinois
Date Licensed	***Stock Casualty Insurance***
09-26-86	General Electric Mortgage Reinsurance Corporation Tampa, Florida
Date Licensed	***Fraternal***
12-19-86	United States Letter Carriers Mutual Benefit Nashville, Tennessee
Date Licensed	***Mexican Casualty***
02-20-87	Seguros De Mexico, S.A. Col.Xoco, Mexico

Companies Reinsured, Merged, Dissolved, Withdrawn, Redomesticated or Placed in Permanent Receivership

between September 1, 1986 and August 31, 1987

Figure 43. Totals

	Reinsured or Merged	Dissolved or Withdrawn	Redomesticated	Permanent Receivership	TOTAL
DOMESTIC COMPANIES					
Stipulated Premium	2				2
Stock Life	4	4		6	14
Stock Fire & Casualty	1	1		3	5
Stock Casualty		1			1
Lloyd's				1	1
Reciprocal		1			1
Local Mutual Aid	7				7
Local Mutual Burial	2				2
TOTAL	16	7	0	10	33
FOREIGN COMPANIES					
Stock Life	1		3	4	8
Stock Fire & Casualty	1	2	2	4	9
Mutual Fire & Casualty				1	1
Stock Fire		1			1
Title	1	1			2
TOTAL	3	4	5	9	21
GRAND TOTAL	19	11	5	19	54

Domestic Companies Reinsured, Merged, Dissolved, Withdrawn, Redomesticated or Placed in Permanent Receivership

Between September 1, 1986 and August 31, 1987

American National Credit Insurance Co., Dallas, Texas; (Life) voluntarily dissolved (12-30-86)

Aztec Life Insurance Company of Texas, Houston, Texas; (Life) merged into Globe Life Insurance Company (02-20-87)

Beck-Richards Insurance Company, Pilot Point, Texas; (Local-Mutual Aid) reinsured by Memorial Service Life Ins. (12-22-86)

Buffington Burial Association, Yoakum, Texas; (Local Mutual Burial) reinsured by Texas Funeral Insurance Company (04-16-87)

Cason Monk Funeral Insurance Company, Nacogdoches, Texas; (Local Mutual Aid) reinsured by Mission Life Insurance Company (01-23-87)

CA-MO Insurance Company, Nacogdoches, Texas; (Local Mutual Aid) reinsured by Mission Life Insurance Company (01-23-87)

Centran Life Insurance Company, Dallas, Texas; (Life) merged into Society Life Ins. Co. (12-22-86)

Commercial Credit Underwriters, San Antonio, Texas; (Reciprocal) voluntarily dissolved (02-11-87)

Corrigan Mutual Life Insurance Co., Corrigan, Texas; (Local Mutual Aid) reinsured by Bankers and Farmers Life Ins. Co. (12-12-86)

Financial Fidelity Life Ins. Co. of Texas, Austin, Texas; (Life) voluntarily dissolved (08-12-87)

Galbreaith-Pickard Benefit Association, Weatherford, Texas; (Local Mutual Aid) reinsured by Bankers and Farmers Life Ins. Co. (12-12-86)

Heritage Life Insurance Company of Texas, Richardson, Texas; (Life) voluntarily dissolved (07-23-87)

Keystone Insurance Company, Dallas, Texas; (Stock Casualty) voluntarily dissolved (05-06-87)

Keystone Life Insurance Company, Dallas, Texas; (Life) placed in permanent receivership (04-16-87)

Lambeth Life Insurance Company, San Antonio, Texas; (Life) merged into Eureka Life Ins. Co. of America (10-10-86)

Lloyds of America Insurance Company, Fort Worth, Texas; (Lloyds) placed in permanent receivership (09-11-86)

National Allied Insurance Co. of Texas, Houston, Texas; (Stock Fire & Casualty) placed in permanent receivership (10-31-86)

National Life Insurance Company of Texas, Arlington, Texas; (Stipulated Premium) merged into National Security Life & Accident, (02-11-87)

Old National Insurance Company, Houston, Texas; (Life) placed in permanent receivership (04-30-87)

Pearson Funeral Insurance Company, Overton, Texas; (Local Mutual Aid) reinsured by Mission Life Insurance Company (08-12-87)

Pinkston Funeral Insurance Company, Fort Worth, Texas; (Local Mutual Aid) reinsured by Pinkston Life Insurance Company (12-02-87)

Reeder-Davis Insurance Company, Hughes Springs, Texas; (Stipulated Premium) reinsured by American Family Life Ins. Co. (12-22-86)

Southwest International Reinsurance Co., Irving, Texas; (Stock Fire & Casualty) merged into Southwest International Reinsurance Co. of NY (06-08-87)

Steakley Life Insurance Company, Waco, Texas; (Life) voluntarily dissolved (12-30-86)

Texas Eastern Life Insurance Company, Hye, Texas; (Life) merged into Eagle Life Insurance Company, Oklahoma City, Oklahoma (03-13-87)

Texas Fire and Casualty Company, Dallas, Texas; (Stock Fire & Casualty) placed in permanent receivership (11-25-86)

Underwood Neuhaus Insurance Company, Houston, Texas; (Stock Fire & Casualty) voluntarily withdrew (03-20-87)

Union Welfare and Burial Association, Austin, Texas; (Local Mutual Burial) reinsured by American Underwriters Life (12-31-86)

United Capital Life Insurance Company, Houston, Texas; (Life) placed in permanent receivership (03-26-87)

Foreign Companies Reinsured, Merged, Dissolved, Withdrawn, Redomesticated or Placed in Permanent Receivership

between September 1, 1986 and August 31, 1987

Admiral Insurance Company, Wilmington, Delaware; (Stock Fire & Casualty) voluntarily withdrew (12-05-86)

Allied Fidelity Insurance Company, Indianapolis, Indiana; (Stock Fire & Casualty) placed in permanent receivership (02-26-87)

American Druggists' Insurance Company, Blue Ash, Ohio; (Stock Fire & Casualty) placed in permanent receivership (12-08-86)

American Fidelity Fire Insurance Co., Woodbury, New York; (Stock Fire & Casualty) placed in permanent receivership (10-23-86)

AMIC Title Insurance Company, Raleigh, North Carolina; (Title) reinsured by Commonwealth Land Title Insurance Company 08-20-87)

California Life Insurance Company, Los Angeles, California; (Life) placed in permanent receivership (01-15-87)

Columbian National Title Insurance Co., Topeka, Kansas; (Title) voluntarily withdrew (04-01-87)

Continental Bankers Life of the South, Jackson, Tennessee; (Life) placed in permanent receivership (02-19-87)

Continental Service Life and Health, Baton Rouge, Louisiana; (Life) placed in permanent receivership (03-24-87)

GNA Life Insurance Company, Oklahoma City, Oklahoma; (Life) redomesticated from Oklahoma to Washington (04-16-87)

Government Employees Insurance Company, Washington, D.C.; (Stock Fire & Casualty) redomesticated from D.C. to Maryland (09-29-86)

Hermitage Health and Life Insurance Co., Franklin, Tennessee; (Life) placed in permanent receivership (04-24-87)

Holyoke Mutual Insurance Co. of Salem, Salem, Massachusetts; (Stock Fire) voluntarily withdrew (01-16-87)

Ideal Mutual Insurance Company, New York, New York; (Mutual Fire and/or Casualty) placed in permanent receivership (07-06-87)

Illinois Employers Ins. Co. of Wausau, River Forest, Illinois; (Stock Fire & Casualty) voluntarily withdrew (05-21-87)

Jefferson Standard Life Insurance Co., Greensboro, North Carolina; (Life) merged into Pilot Life Insurance Company (01-21-87)

Lincoln National Life Reinsurance Co., Washington, D.C.; (Life) redomesticated from D. C. to Indiana (03-02-87)

National Farmers Union Property & Casualty Co., Salt Lake City, Utah; (Stock Fire & Casualty) merged into New Casualty Insurance Company (05-29-87)

Prudential Property and Casualty Insurance Co., Holmdel, New Jersey; (Stock Fire & Casualty) redomesticated from New Jersey to Indiana (03-13-87)

Transamerica Assurance Company, Los Angeles, California; (Life) redomesticated to Colorado (03-11-87)

Transit Casualty Company, Erath City, Missouri; (Stock Fire & Casualty) placed in permanent receivership (12-01-86)

Domestic Companies that have Changed Name, Moved Home Office or been Reclassified

between September 1, 1986 and August 31, 1987

Aetna Lloyds of Texas Insurance Company, Dallas, Texas; (Lloyds) moved home office to Richardson, Texas (08-20-87)

American Contractors Insurance Company, Dallas, Texas; (Stock Fire & Casualty) changed name to American Contractors Ins. Co. Risk Retention, (12-31-86)

American Insurance Company of Texas, Fort Worth, Texas; (Stipulated Premium) moved home office to Waco, Texas, and converted to Stock Life (12-30-86)

American Risk Transfer Insurance Co., Dallas, Texas; (Stock Fire) changed name to Amtex Ins. Co. and moved home office to Bryan, Texas, (03-06-87)

Bankers National Life Insurance Co., Dallas, Texas; (Life) moved home office to Austin, Texas (10-06-86)

Comco Insurance Company, Amarillo, Texas; (Stock Fire & Casualty) moved home office to Seguin, Texas (02-20-87)

Commercial Life and Accident Ins. Co., Addison, Texas; (Life) moved home office to Denton, Texas (09-26-86)

Consolidated Savings Life Insurance Co, Austin, Texas; (Life) moved home office to Dallas, Texas (04-27-87)

Cumberland Life Insurance Co. of Texas, Irving, Texas; (Life) changed name to Associates Financial Life Insurance Co. of Texas, (07-24-87)

Edwards Funeral Service Life Ins. Co., Woodville, Texas; (Stipulated Premium) changed name to East Texas Funeral Service Life Ins. Co. (03-13-87)

Empire Life and Hospital Insurance Co., McAllen, Texas; (Life) changed name to Alliance National Ins. Co., and moved home office to Houston, Texas, (09-05-86)

Ensign Insurance Company, Dallas, Texas (Stock Fire & Casualty) changed name to Equity American Insurance Company (10-07-86)

Ensign Life Insurance Company, Dallas, Texas; (Life) moved home office to Fort Worth, Texas (02-25-87)

Gulf Group Lloyds, Dallas, Texas; (Lloyds) moved home office to Irving, Texas (12-05-86)

Healthamerica Corporation of Texas, San Antonio, Texas; (HMO) changed name to Maxicare San Antonio, Inc. (03-11-87)

Home Security Life Insurance Company, Dallas, Texas; (Life) changed name to Institutional Founders Life Ins. Co. of Texas (03-13-87)

Houston United Casualty Insurance Company, Houston, Texas; (Stock Fire & Casualty) moved home office to Dallas, Texas (11-17-86)

Indemnity Underwriters Lloyds, Addison, Texas; (Lloyds) moved home office to Arlington, Texas (12-15-86)

Interest Life Insurance Co. of America, Austin, Texas; (Life) changed name and moved home office to Southwest Physicians Life Insurance Company, Dallas, Texas (03-11-87)

John A. Post Life Insurance Company, Dallas, Texas; (Life) changed name to American Military Life Insurance Company (07-24-87)

Life/Re Insurance Company, San Antonio, Texas; (Life) changed name to LifeRe Insurance Company (02-16-87)

NAP Life Insurance Company, Waco, Texas; (Life) moved home office to Austin, Texas (09-04-86)

National Credit Life Insurance Company, Arlington, Texas; (Life) changed name and moved home office to Countrywide Life Ins. Co., Plano, Texas (02-25-87)

National Life Insurance Company of Texas, Dallas, Texas; (Stipulated Premium) moved home office to Arlington, Texas (12-15-86)

National Security Life & Accident Insurance, Dallas, Texas; (Life) moved home office to Arlington, Texas (10-21-86)

Navton Life Insurance Company, Hye, Texas; (Life) moved home office to Huntsville, Texas (08-20-87)

NPS Life Insurance Company, Waco, Texas; (Life) changed name to National Public Service Insurance Company (06-30-87)

Pikeman's Protective Life Insurance Company, LaPorte, Texas; (Life) changed name and moved home office to Legal Protective Life Insurance Co., Baytown, Texas (06-09-87)

Prudential Health Care Plan, Inc., Bellaire, Texas; (HMO) moved home office to Houston Texas (01-09-87)

Scor Re Life Insurance Company, Irving, Texas; (Life) changed name to Optimum RE Insurance Company (05-06-87)

Scotsmen Life Insurance Company, Austin, Texas; (Life) changed name to International Life Ins. Co., and converted to Stock (04-01-87)

Southern Title Guaranty Co., Inc., Dallas, Texas; (Title) moved home office to Austin, Texas (12-02-86)

Southland Life Insurance Company, Dallas, Texas; (Life) moved home office to Plano, Texas (04-21-87)

Title USA Insurance Corporation, Dallas, Texas; (Title) moved home office to Irving, Texas (12-30-86)

The Total Insurance Company, San Antonio, Texas; (Life) changed name to Advanced Benefits Life Insurance Company (04-24-87)

Trans-Western Life Insurance Company, San Antonio, Texas; (Stipulated Premium) moved home office to Waco, Texas (02-25-87)

United Group Insurance Company, Hurst, Texas; (Life) moved home office to Irving, Texas (08-12-87)

United Medical Plan of Texas, Inc., Houston, Texas; (HMO) changed name to Equicor Health Plan, Inc. (02-16-87)

United Texas Assurance Corporation, Dallas, Texas; (Stock Fire & Casualty) changed named to TCL Fire and Casualty Company (12-23-86)

Universal Underwriters of Texas, Dallas, Texas; (Stock Fire & Casualty) moved home office to Richardson, Texas (04-27-87)

U. I. Health Insurance Company, Dallas, Texas; (Stipulated Premium) changed name and moved home office to U. S. Health Ins. Co., Fort Worth, Texas (02-11-87)

Victoria Lloyds Insurance Company, Houston, Texas; (Lloyds) moved home office to Dallas, Texas (07-24-87)

Whittaker Health Services of Austin, Texas; (HMO) changed name to Travelers Health Network of Austin, Inc. (12-30-86)

Whittaker Health Services of Texas, Inc., Austin, Texas; (HMO) changed name to Travelers Health Network of Texas, Inc. (12-30-86)

Foreign Companies that have Changed Name, Moved Home Office, Domesticated, or Been Reclassified

between September 1, 1986 and August 31, 1987

Aetna Insurance Company, Hartford, Connecticut; (Stock Fire & Casualty) moved home office to Bloomfield, Connecticut (06-10-87)

American Centurion Life & Accident Insurance, Indianapolis, Indiana; (Life) changed name to American Enterprise Life Insurance Company (12-02-86)

American Hail Insurance Company, Bloomington, Minnesota; (Stock Fire & Casualty) moved home office to Minneapolis, Minnesota (10-10-86)

American Plan Life Insurance Company, Bozeman, Montana; (Life) changed name to Life of Montana Insurance Company (12-15-86)

Ammest Life Insurance Company, Scottsdale, Arizona; (Life) moved home office to Phoenix, Arizona (01-23-87)

Arkwright-Boston Insurance Company, Waltham, Massachusetts; (Stock Fire & Casualty) changed name to Arkwright Insurance Company (07-23-87)

Arkwright-Boston Manufacturers Mutual Insurance, Waltham, Massachusetts; (Mutual Fire and/or Casualty) changed name to Arkwright Mutual Insurance Company (07-08-87)

Association Life Insurance Company, Inc., Milwaukee, Wisconsin; (Life) moved home office to Brookfield, Wisconsin (11-07-86)

Assured Life Assoc. (Woodmen of World), Denver, Colorado; (Fraternal) moved home office to Littleton, Colorado (06-10-87)

Atlas Mutual Insurance Company, Kansas City, Missouri; (Stock Fire & Casualty) changed name to Atlas Insurance Company, and converted to Stock (05-06-87)

AVCO Financial Service Life (assumed), Newport Beach, California; (Life) moved home office to Irvine, California (10-07-86)

Bankers Mutual Insurance Company, Silver Spring, Maryland (Stock Fire & Casualty) changed name to Bankers Independent, Gaithersburg, Maryland and converted to stock (04-01-87)

Bankers Standard Insurance Company, Hialeah, Florida; (Stock Fire & Casualty) moved home office to Tampa, Florida (06-23-87)

Belgian General Ins. Co., (U.S. Branch), New York, New York; (Stock Fire & Casualty) domesticated and changed name to American International Insurance Company (02-25-87)

Capital Assurance Company, Inc., Coral Gables, Florida; (Stock Fire & Casualty) moved home office to Miami, Florida (08-12-87)

Centennial Life Insurance Company, Mission, Kansas; (Life) moved home office to Merriam, Kansas (12-15-86)

City Insurance Company, Millburn, New York; (Stock Fire & Casualty) moved home office to Florham Park, New Jersey (09-18-86)

Classified Insurance Corporation, Waukesha, Wisconsin; (Stock Fire & Casualty) changed name to American Star Insurance Company (05-29-87)

Commercial Union Reinsurance Company, Wilmington, Delaware; (Stock Fire & Casualty) changed name and home office to Belvedere America Reinsurance Co., Dover, Delaware (12-12-86)

Commonwealth Mortgage Assurance Co. of MA., Towson, Maryland; (Stock Casualty) changed name and home office to Prudential Mortgage Ins. Co., Baltimore, Maryland (08-20-87)

Constitution Life Insurance Company, Park Ridge, Illinois; (Life) moved home office to Chicago, Illinois (06-24-87)

Criterion Insurance Company, Washington, D.C.; (Stock Casualty) changed name to GEICO Indemnity Co., Chevy Chase, Maryland (09-26-86)

Cumberland Life Insurance Company, Nashville, Tennessee; (Life) changed name to Associates Financial Life Insurance Co. (02-11-87)

Eagle Star Insurance Company of America, New York, New York; (Stock Fire & Casualty) changed name to The Seneca Insurance Company, Inc., (06-08-87)

Employers Reinsurance Corporation, Kansas City, Missouri; (Stock Fire & Casualty) moved home office to Jefferson City, Missouri (01-23-87)

Ennia Reinsurance Company of America, New York, New York; (Stock Fire & Casualty) changed name to Aegon Reinsurance Company of America (06-10-87)

Equitable Casualty Insurance Company, Des Moines, Iowa; (Stock Fire & Casualty) changed name to Financial Security Assurance of Iowa (09-29-86)

Equitable General Ins. Co. of Oklahoma, Oklahoma City, Oklahoma; (Stock Fire & Casualty) changed name to Financial Security Assurance of Oklahoma (09-29-86)

Fairfield Life Insurance Company, Wilmington, Delaware; (Life) changed name and home office to Forethought Life Ins. Co., Batesville, Indiana (12-05-86)

Fireman's Fund Employers Insurance Company, Depere, Wisconsin; (Life) changed name to Employers' Health Insurance Company (01-30-87)

First Excess Reinsurance Corporation, Kansas City, Missouri; (Stock Fire & Casualty) moved home office to Jefferson City, Missouri (04-16-87)

Heart of America Fire & Casualty Underwriters, Kansas City, Missouri; (Reciprocal) changed name to Heart of America Fire & Casualty Co. and converted to Stock (08-12-87)

The Home Insurance Company of Indiana, Indianapolis, Indiana; (Stock Fire & Casualty) moved home office to Carmel, Indiana (11-18-86)

The Home Reinsurance Company, Manchester, New Hampshire; (Stock Fire & Casualty) changed name to US International Reinsurance Company (08-20-87)

International Financial Services Life, Brookfield, Illinois; (Life) moved home office to Bridgeview, Illinois (04-01-87)

Inter-State Assurance Co. A Mutual Co., Des Moines, Iowa; (Life) converted to Stock Life (11-18-86)

Inter-State Assurance Co. A Mutual Co., Des Moines, Iowa; (Life) changed name to Inter-State Assurance Co. (11-18-86)

Jefferson-Pilot Life Insurance Company, Greensboro, North Carolina; (Life) changed name to Jefferson Standard Life Insurance Co. (01-21-87)

Lafayette National Life Assurance Co., Lafayette, Indiana; (Life) changed name and home office to Healthwin Insurance Company, Fort Wayne, Indiana (11-04-86)

LGS Ins. Co. (Assumed Life General Secur), Harvey, Louisiana; (Life) moved home office to Baton Rouge, Louisiana (04-16-87)

Lincoln Liberty Life Insurance Company, Lincoln, Nebraska; (Life) moved home office to Omaha, Nebraska (05-21-87)

Lomas Financial Security Insurance Co., Phoenix, Arizona; (Life) changed name to D. B. Life Ins. Co. (assumed name of Diamond Benef.) (02-20-87)

Lumbermens Mutual Insurance Company, Mansfield, Ohio; (Mutual Fire and/or Casualty) changed name to Prudential-LMI Commercial Ins. Co., and converted to Stock (05-06-87)

Main Life Insurance Company, Scottsdale, Arizona; (Life) moved home office to Phoenix, Arizona (06-10-87)

Massachusetts Plate Glass Insurance Co., Boston, Massachusetts; (Stock Casualty) changed name to USF RE Insurance Company (07-24-87)

Mead Reinsurance Corporation, Freeport, Illinois; (Stock Fire & Casualty) moved home office to Chicago, Illinois (07-23-87)

Metlife Security Insurance Company, Chatham, New Jersey; (Life) moved home office to East Hanover, New Jersey (06-24-87)

Mid-America Preferred Insurance Co., North Kansas City, Missouri; (Stock Fire & Casualty) changed name to Country Preferred Insurance Company (06-17-87)

The Monarch Insurance Company of Ohio, Columbus, Ohio; (Stock Fire & Casualty) changed named to General Star National Insurance Co. (09-18-86)

Municipal Bond Investors Assurance Corporation, New York, New York; (Stock Casualty) moved home office to White Plains, New York (08-12-87)

National Bonding and Accident Insurance Co., New York, New York; (Stock Casualty) changed name to Municipal Bond Investors Assurance Corporation (12-30-86)

New Casualty Insurance Company, Denver, Colorado; (Stock Fire & Casualty) changed name to National Farmers Union Property and Casualty Co. (05-29-87)

New Zealand Ins. Co. Ltd. U. S. Branch, San Francisco, California; (Stock Fire & Casualty) domesticated and changed name to New Zealand Reinsurance of America (04-01-87)

Northwestern Retirement Ins. & Annuity, Milwaukee, Wisconsin; (Life) changed name to First Transcontinental Life Insurance Corp. (03-31-87)

Omni Life Insurance Company, Wilmington, Delaware; (Life) changed name to U. S. National Heritage Life (assumed) (09-18-86)

Pension Life Insurance Company of America, Newark, New Jersey; (Life) moved home office to Princeton, New Jersey (02-11-87)

Piedmont American Life Insurance Co., Wilmington, Delaware; (Life) moved home office to Hockessin, Delaware (08-12-87)

Pilot Life Insurance Company, Greensboro, North Carolina; (Life) changed name to Jefferson-Pilot Life Insurance Company (01-21-87)

Progressive American Life Insurance Company, Mayfield Village, Ohio; (Life) moved home office to Beachwood, Ohio (01-27-87)

Progressive Casualty Life Insurance Co., Mayfield Village, Ohio; (Stock Fire & Casualty) moved home office to Beachwood, Ohio (01-27-87)

Progressive Preferred Insurance Co., Mayfield Village, Ohio; (Stock Fire & Casualty) moved home office to Beachwood, Ohio (01-27-87)

Progressive Speciality Insurance Co., Mayfield Village, Ohio; (Stock Fire & Casualty) moved home office to Beachwood, Ohio (01-27-87)

Puritan Life Insurance Company, Johnston, Rhode Island; (Life) reinsured and changed name to Employers Reassurance Corp., Overland Park, Kansas (03-13-87)

RMIC Insurance Company (assumed name), Winston-Salem, North Carolina; (Stock Casualty) dropped assumed name in Texas (06-03-87)

SAI-Industrial Assurance Co. (U.S. Branch), New York, New York; (Stock Fire & Casualty) domesticated and changed name to Putnam Reinsurance Co. (02-25-87)

Savings General Insurance Company, Shreveport, Louisiana; (Stock Fire & Casualty) changed name to Southern National Insurance Company (08-12-87)

Security Benefit Assurance Company, Topeka, Kansas; (Life) changed name to Community National Assurance Company (11-04-86)

Security Benefit Assurance Company, Topeka, Kansas; (Life) changed name to Community National Assurance Co. and added accident and health insurance (11-04-86)

Southwest International Reinsurance Co. of New York, New York, N.Y.; (Stock Fire & Casualty) changed name to Southwest International Reinsurance Company (06-08-87)

Transamerica Title Insurance Company, San Francisco, California; (Title) moved home office to Dublin, California (06-10-87)

Truman National Life Insurance Company, North Kansas City, Missouri; (Life) changed name and home office to Ameri Independence Life Ins. Co., North Kansas City, Missouri (06-10-87)

Union Mutual Life Insurance Company, Portland, Maine; (Life) changed name to Unum Life Insurance Company and converted to Stock (12-02-86)

Unionmutual Pension & Insurance Corp., Portland, Maine; (Life) changed name to Unum Pension & Insurance Corporation (11-18-86)

Unionmutual Stock Life Ins. Co. of America, Portland, Maine; (Life) changed name to Unum Life Ins. Co. of America (11-18-86)

Unum Pension & Insurance Corporation, Portland, Maine; (Life) changed name to Unum Pension and Insurance Company (03-13-87)

USLife Title Insurance Company of NY, New York, New York; (Title) changed name to Title USA Insurance Corporation of New York (06-24-87)

West American Insurance Company, Fullerton, California; (Stock Fire & Casualty) moved home office to Anaheim, California (06-26-87)

West States Insurance Company, Los Angeles, California; (Life) changed name to Sierra Health and Life Insurance Company, Inc. (08-12-87)

West States Insurance Company, Los Angeles, California; (Life) changed name to Sierra Health and Life Insurance Company, Inc. (08-12-87)

Western Fidelity Insurance Company, Shreveport, Louisiana; (Life) moved home office to Baton Rouge, Louisiana (06-24-87)

World Service Life Insurance Co. of Colorado, Englewood, Colorado; (Life) moved home office to Denver, Colorado (06-24-87)

Liquidator's and Conservator's Report

Figure 44. Summary of Supervisions: September 1, 1986 through August 31, 1987

DOMESTIC	New	Existing
Stock Life Insurance Companies	3	1
Stipulated Premium Insurance Companies	0	2
Surplus Lines Insurers	2	0
Local Mutual Aid Associations	0	1
Stock Fire & Casualty	1	0
Lloyds	1	1
Title Agents	2	0
Unauthorized Insurer	23	0
Managing General Agents	2	0
Agencies	3	0
Reciprocal	1	0
SUBTOTAL	38	4
FOREIGN	2	0
TOTAL	40	4

Figure 45. Summary of Conservatorships: September 1, 1986 through August 31, 1987

DOMESTIC	New	Existing
Stock Life	2	4
Reciprocal	2	0
Managing General Agents	1	0
Local Mutual Aid Associations	0	1
Stock Fire & Casualty	6	2
Lloyds	0	2
Title Agents	2	1
Unauthorized Insurers	3	0
SUBTOTAL	16	10
FOREIGN	2	0
TOTAL	18	10

Figure 46. Insurance Companies in Conservatorship or Under Supervision by Fiscal Years

Fiscal Year	No. at Beginning	No. Rec'd. During Year	Reinsured & Closed	Liquidated (Dissolved)	In Receivership	Released
1977	5	16	0	0	5	5
1978	10	15	0	2	2	6
1979	12	15	0	1	3	12
1980	8	6	0	0	1	4
1981	9	11	0	0	1	7
1982	11	10	0	1	3	8
1983	7	12	0	0	7	9
1984	3	12	0	0	3	4
1985	5	19	0	1	5	4
1986	12	21	0	0	5	4*
1987	14	58	0	0	14	7

Conservatorships under supervision of Liquidation Activity as of August 31, 1986:

* On 6-30-86 the 345th Judicial District Court, Travis County, Texas, entered *Order Staying Board Order of Conservatorship* and appointed William P. Hinsch as Master in Chancery to insure Plan of Rehabilitation

Figure 47. Receiverships by Fiscal Year: New Receiverships and Receiverships Closed

Fiscal Year	Balance Receiverships Beginning	New Receiverships	Receiverships Closed
1977	52	3	5
1978	50	6	6
1979	50	6	4
1980	52	1	4
1981	49	8	7
1982	50	11	19
1983	42	13	0
1984	55	3	3
1985	55	20	1
1986	74	19	2
1987	91	18	1

As of August 31, 1987 -- 108 Active Receiverships

Figure 48. Summary of Number of Receiverships - By Courts Under Supervision of Liquidation Division: As of August 31, 1987, Travis County District Courts

Judicial District	No. of Receiverships
53rd	15
98th	6
126th	10
147th	6
167th	11
200th	14
201st	8
250th	11
260th	1
261st	8
299th	6
331st	8
345th	3
353rd	1
Total	108

Figure 49. Lawsuits Pending - Liquidation Division: 1977 - 1987

Fiscal Year Ending	New Lawsuits	Closed Lawsuits	Pending Lawsuits
1977	28	27	312
1978	222	40	494
1979	14	143	365
1980	111	70	406
1981	8	106	308
1982	29	120	217
1983	69	17	269
1984	31	26	274
1985	150	119	305
1986	203	89	419
1987	167	148	438

Companies in Supervision or Conservatorship

at Beginning of Fiscal Year 1987

*Supervision**

Commissioner's Order No. 83-3088 dated 10-19-83.

Commissioner's Order No. 86-0560 dated 6-20-86.

Commissioner's Order No. 86-0559 dated 6-20-86.

Commissioner's Order No. 86-0899 dated 8-26-86.

*Conservatorship**

Commissioner's Order No. 85-0543 dated 2-19-85.

Commissioner's Order No. 85-1300 dated 4-19-85.

Commissioner's Order No. 85-2214 dated 10-16-85.

Commissioner's Order No. 85-2316 dated 11-19-85.

Commissioner's Order No. 86-0033 dated 1-21-86.

Commissioner's Order No. 86-0191 dated 3-06-86.

Commissioner's Order No. 86-0205 dated 3-13-86.

Commissioner's Order No. 86-0561 dated 6-20-86.

Commissioner's Order No. 86-0603 dated 7-01-86.

Commissioner's Order No. 86-0900 dated 8-26-87.

*The use of Commissioner's Order numbers were necessitated by an amendment to Article 21.28-A, which became effective September 1, 1987, and provides for confidentiality of Supervision and Conservatorship records.

Companies Placed in Supervision

between September 1, 1986 and August 31, 1987

Commissioner's Order No. 86-1024 dated 9-29-86.

Commissioner's Order No. 86-1025 dated 9-29-86.

Commissioner's Order No. 86-1316 dated 12-18-86.

Commissioner's Order No. 86-1317 dated 12-18-86.

Commissioner's Order No. 86-1318 dated 12-18-86.

Commissioner's Order No. 86-1319 dated 12-18-86.

Commissioner's Order No. 86-1328 dated 12-19-86.

Commissioner's Order No. 86-1345 dated 12-22-86.

Commissioner's Order No. 87-0099 dated 1-30-87.

Commissioner's Order No. 87-0110 dated 2-03-87.

Commissioner's Order No. 87-0111 dated 2-03-87.

Commissioner's Order No. 87-0112 dated 2-03-87.

Commissioner's Order No. 87-0177 dated 2-24-87.

Commissioner's Order No. 87-0206 dated 2-26-87.

Commissioner's Order No. 87-0207 dated 2-26-87.

Commissioner's Order No. 87-0245 dated 3-13-87.

Commissioner's Order No. 87-0265 dated 3-13-87.

Commissioner's Order No. 87-0266 dated 3-13-87.

Commissioner's Order No. 87-0347 dated 4-07-87.

Commissioner's Order No. 87-0350 dated 4-10-87.

Commissioner's Order No. 87-0414 dated 4-23-87.

Commissioner's Order No. 87-0415 dated 4-23-87.

Commissioner's Order No. 87-0416 dated 4-24-87.

Commissioner's Order No. 87-0457 dated 5-05-87.

Commissioner's Order No. 87-0458 dated 5-05-87.

Commissioner's Order No. 87-0459 dated 5-05-87.

Commissioner's Order No. 87-0487 dated 5-11-87.

Commissioner's Order No. 87-0489 dated 5-11-87.

Commissioner's Order No. 87-0490 dated 5-11-87.

Commissioner's Order No. 87-0488 dated 5-11-87.

Commissioner's Order No. 87-0491 dated 5-11-87.

Commissioner's Order No. 87-0531 dated 5-14-87.

Commissioner's Order No. 87-0533 dated 5-15-87.

Commissioner's Order No. 87-0534 dated 5-15-87.

Commissioner's Order No. 87-0554 dated 5-21-87.

Commissioner's Order No. 87-0555 dated 5-21-87.

Commissioner's Order No. 87-0587 dated 5-22-87.

Commissioner's Order No. 87-0688 dated 6-10-87.

Commissioner's Order No. 87-0802 dated 7-08-87.

Commissioner's Order No. 87-0819 dated 7-20-87.

Companies Placed in Conservatorship

between September 1, 1986 and August 31,1987

Commissioner's Order No. 86-1065 dated 10-10-86.

Commissioner's Order No. 86-1066 dated 10-10-86.

Commissioner's Order No. 86-1067 dated 10-10-86.

Commissioner's Order No. 86-1068 dated 10-10-86.

Commissioner's Order No. 86-1069 dated 10-10-86.

Commissioner's Order No. 87-0124 dated 2-09-87.

Commissioner's Order No. 87-0112 dated 4-06-87.

Commissioner's Order No. 87-0423 dated 4-27-87.

Commissioner's Order No. 87-0492 dated 5-12-87.

Commissioner's Order No. 87-0654 dated 6-08-87.

Commissioner's Order No. 87-0657 dated 6-08-87.

Commissioner's Order No. 87-0712 dated 6-16-87.

Commissioner's Order No. 87-0803 dated 7-08-87.

Commissioner's Order No. 87-0804 dated 7-08-87.

Commissioner's Order No. 87-0900 dated 8-04-87.

Commissioner's Order No. 87-0901 dated 8-04-87.

Commissioner's Order No. 87-0902 dated 8-07-87.

Commissioner's Order No. 87-0970 dated 8-20-87.

Companies Released and/or Terminated from Supervision

between September 1, 1986 and August 31, 1987

Commissioner's Order No. 86-0955 dated 9-05-87.

Commissioner's Order No. 86-0346 dated 4-06-87.

Commissioner's Order No. 87-0492 dated 5-12-87.

Commissioner's Order No. 87-09498dated 5-12-87.

Commissioner's Order No. 87-0654 dated 6-08-87.

Commissioner's Order No. 87-0657 dated 6-08-87.

Commissioner's Order No. 87-0803 dated 7-08-87.

Commissioner's Order No. 87-0805 dated 7-08-87.

Commissioner's Order No. 87-0814 dated 7-10-87.

Commissioner's Order No. 87-0900 dated 8-04-87.

Cause No. 424,131 dated 8-04-87.

Cause No. 424,131 dated 8-04-87.

Cause No. 424,131 dated 8-04-87.

Cause No. 424,131 dated 8-04-87.

Cause No. 424,131 dated 8-04-87.

Commissioner's Order No. 87-0901 dated 8-04-87.

Commissioner's Order No. 87-0902 dated 8-07-87.

Commissioner's Order No. 87-0970 dated 8-20-87.

Companies Released and/or Terminated from Conservatorship

between September 1, 1986 and August 31, 1987

Commissioner's Order No. 87-0976 dated 9-15-87.

Commissioner's Order No. 87-1174 dated 11-07-87.

Commissioner's Order No. 87-0275 dated 3-20-87.

Commissioner's Order No. 87-0276 dated 3-20-87.

Commissioner's Order No. 87-0977 dated 3-20-87.

Commissioner's Order No. 87-0978 dated 3-20-87.

Commissioner's Order No. 87-0485 dated 5-07-87.

Cause No. 454,757 dated 8-27-87.

Insurance Companies and Affiliates in Receivership

as of August 31, 1987

Name of Company	District Court	Cause Number
ADCO FIRE & CASUALTY COMPANY, LTD., et al Plano, Texas	250th	344,329
GEORGE D. ALBRIGHT d/b/a JENNIE A. YOUNG INSURANCE AGENCY Cooper, Texas	261st	386,027
ALLIED FIDELITY INSURANCE COMPANY Indianapolis, Indiana	331st	402,457
AMERICAN DRUGGISTS' INSURANCE COMPANY Blue Ash, Ohio	200th	399,372
AMERICAN FIDELITY FIRE INSURANCE COMPANY Woodbury, New York	299th	393,414
AMERICAN GUARANTY LIFE INSURANCE COMPANY Austin, Texas	53rd	281,675
AMERICAN INSURANCE GROUP, LTD., et al Houston, Texas	147th	379,156
AMERICAN MANAGERS, INC. Houston, Texas	126th	342,895
AMERICAN REAL ESTATE ASSOCIATION Austin, Texas	331st	356,168
ASPEN INDEMNITY CORPORATION Englewood, Colorado	167th	369,437
RUTH MILLS BURFORD, OLD WORLD SOCIETY OF HEALTH AND FINANCE, et al Houston, Texas	250th	424,757
CALIFORNIA LIFE INSURANCE COMPANY Los Angeles, California	331st	401,820
CARDINAL LIFE INSURANCE COMPANY Lubbock, Texas	200th	236,899
CARRIERS INSURANCE COMPANY Des Moines, Iowa	201st	391,764
CHRISTIAN ORGANIZATIONS MEDICAL SOCIETY, INC., et al Hurst, Texas	353rd	385,711
COLONIAL TITLE, INC. Houston, Texas	53rd	344,517
COLUMBUS INSURANCE COMPANY Columbus, Ohio	126th	375,271

COMMERCIAL STANDARD INSURANCE COMPANY Fort Worth, Texas	167th	373,842
COMMONWEALTH MARINE & GENERAL ASSURANCE COMPANY, LTD. Belize City, Belize (C. A.)	261st	378,040
CONSTELLATION REINSURANCE COMPANY New York, New York	167th	417,649
CONTINENTAL BANKERS LIFE INSURANCE COMPANY OF THE SOUTH Jackson, Tennessee	200th	402,717
CONTINENTAL SERVICE LIFE AND HEALTH INSURANCE COMPANY Baton Rouge, Louisiana	147th	390,338
COTTON BELT INSURANCE COMPANY, INC. Memphis, Tennessee	201st	337,145
NORMAN COWART, NASSAU LIFE INSURANCE COMPANY, et al Arlington, Texas	200th	424,131
EDWARD PATTERSON CUDE, et al Houston, Texas	345th	417,622
DEXTER LLOYDS INSURANCE COMPANY, et al Houston, Texas	345th	405,847
IRENE MONIQUE DIBEASE, d/b/a ACTION INSURANCE AGENCY, et al Houston, Texas	167th	350,407
EAGLE LIFE INSURANCE COMPANY San Antonio, Texas	201st	418,574
EARLY AMERICAN INSURANCE COMPANY Montgomery, Alabama	250th	374,094
EASTERN INDEMNITY COMPANY OF MARYLAND Rockville, Maryland	299th	374,862
EMPIRE LIFE INSURANCE COMPANY OF AMERICA, et al, Birmingham, Alabama	53rd	198,374
ENTERPRISE INSURANCE COMPANY Los Angeles, California	299th	413,412
EQUITABLE EXCHANGE, INC., et al Houston, Texas	200th	341,697
EXCALIBUR INSURANCE COMPANY Minneapolis, Minnesota	126th	368,859
FIRST AMERICAN SURETY CORPORATION Houston, Texas	53rd	287,383

FIRST FIRE AND CASUALTY INSURANCE COMPANY Houston, Texas	53rd	195,205
FIRST UNITED LIFE INSURANCE COMPANY OF AMERICA Brownsville, Texas	250th	319,320
FLORIDA GENERAL LIFE INSURANCE COMPANY Coral Gables, Florida	250th	346,372
GENERAL PROTECTIVE LIFE INSURANCE COMPANY Bellaire, Texas	200th	276,493-B
GRANITE STATE INSURANCE COMPANY, et al Bedford, Texas	331st	340,634
THE GREAT GLOBAL ASSURANCE COMPANY Scottsdale, Arizona	201st	394,888
GREAT LIBERTY LIFE INSURANCE COMPANY Dallas, Texas	53rd	192,855
GROUP HEALTH OF EL PASO, INC. El Paso, Texas	98th	319,947
HERMITAGE HEALTH AND LIFE INSURANCE COMPANY Franklin, Tennessee	167th	414,016
IDEAL MUTUAL INSURANCE COMPANY New York, New York	126th	373,613
INDEPENDENT BANKERS LIFE INSURANCE COMPANY, et al Fort Worth, Texas	53rd	364,967
INDEPENDENT STANDARD INSURANCE COMPANY Dallas, Texas	260th	369,438
INTEGRITY INSURANCE COMPANY Paramus, New Jersey	53rd	423,396
INTERSTATE INSURANCE COMPANY West Collingswood, New Jersey	200th	232,811
IOWA NATIONAL MUTUAL INSURANCE COMPANY Cedar Rapids, Iowa	147th	389,578
IOWA STATE TRAVELERS MUTUAL ASSURANCE COMPANY West Des Moines, Iowa	250th	345,720
KENILWORTH INSURANCE COMPANY Chicago, Illinois	250th	333,783
KEYSTONE LIFE INSURANCE COMPANY Dallas, Texas	98th	414,622
LIMESTONE LIFE ASSOCIATION Groesbeck, Texas	126th	351,699

LLOYDS OF AMERICA INSURANCE COMPANY Houston, Texas	299th	340,036
MALL INSURANCE AGENCY, INC. Dallas, Texas	53rd	338,028
MANUFACTURERS AND WHOLESALERS INDEMNITY EXCHANGE Denver, Colorado	200th	242,146
McINGVALE ASSOCIATES, GENERAL AGENCY, INC. Dallas, Texas	201st	237,784
METROCARE AND TEXAS COMPREHENSIVE HEALTH SERVICES, INC. Euless, Texas	261st	323,178
METROPOLITAN TRUST COMPANY Hurst, Texas	167th	328,912
MIDLAND INSURANCE COMPANY New York, New York	299th	398,238
STEVE MILES INSURANCE AGENCY, et al Abernathy, Texas	345th	356,403
MINISTERS BENEFIT TRUST, et al Hurst, Texas	200th	314,116
MISSION INSURANCE COMPANY Los Angeles, California	261st	413,411
MISSION NATIONAL INSURANCE COMPANY Los Angeles, California	250th	413,410
MISSION REINSURANCE CORPORATION Kansas City, Missouri	331st	413,413
MOBILE COUNTY MUTUAL INSURANCE COMPANY Dallas, Texas	201st	237,783
NATIONAL ALLIED INSURANCE COMPANY OF TEXAS Houston, Texas	299th	404,100
MOBILE INSURANCE COMPANY Dallas, Texas	201st	237,782
NATIONAL BANKERS LIFE INSURANCE COMPANY Dallas, Texas	53rd	188,463
NATIONAL INVESTORS LIFE INSURANCE COMPANY Little Rock, Arkansas	126th	373,107
NORTH AMERICAN INSURANCE COMPANY, INC., JONATHAN P. SAUNDERS, et al Addison, Texas	201st	422,596
OKLAHOMA INSURANCE LOGISTICS COMPANY Oklahoma City, Oklahoma	200th	368,387

OLD NATIONAL INSURANCE COMPANY, AN ALABAMA CORPORATION, et al Montgomery, Alabama	53rd	179,459
OLD NATIONAL INSURANCE COMPANY Houston, Texas	167th	212,596
OLD SECURITY LIFE INSURANCE COMPANY Kansas City, Missouri	167th	267,341
PACIFIC AMERICAN INSURANCE COMPANY Wilmington, Delaware	98th	368,614
PHOENIX ASSURANCE AGENCY AND PHOENIX ADJUSTMENT SERVICES Houston, Texas	200th	276,493
PHOENIX FIDELITY LIFE INSURANCE COMPANY Phoenix, Arizona	200th	276,493
PIONEER CASUALTY COMPANY San Antonio, Texas	126th	160,893
PIONEER GENERAL AGENCY, INC. San Antonio, Texas	126th	160,893
PREFERRED EMPLOYERS INSURANCE COMPANY Houston, Texas	261st	415,359
PREMIER GROUP SERVICES, INC. Dallas, Texas	167th	338,208
PREMIER NATIONAL AGENCY, INC. Dallas, Texas	147th	338,207
PREMIER NATIONAL LIFE INSURANCE COMPANY Dallas, Texas	126th	338,206
PROPRIETORS' INSURANCE COMPANY Delaware, Ohio	126th	324,504
RESERVE INSURANCE COMPANY Chicago, Illinois	147th	290,961
SECURITY CASUALTY COMPANY Chicago, Illinois	98th	329,244
S & H INSURANCE COMPANY, A CALIFORNIA CORPORATION Los Angeles, California	331st	382,945
SIGNAL INSURANCE LLOYDS COMPANY Austin, Texas	98th	407,304
SOCIEDAD MUTUALISTA MEXICANA MONTE DE LAS CRUCES San Antonio, Texas	53rd	288,672
SOUTHEAST INDEMNITY COMPANY Houston, Texas	53rd	372,995

SUPERIOR LLOYDS INSURANCE COMPANY Mesquite, Texas	167th	341,838
SURETY INSURANCE COMPANY OF CALIFORNIA La Habra, California	331st	369,052
TEXAS FIDELITY LIFE INSURANCE COMPANY Nocona, Texas	331st	393,480
TEXAS FIRE AND CASUALTY COMPANY Dallas, Texas	53rd	396,246
TEXAS HEALTH PLANS, INC., et al Houston, Texas	250th	312,722
TEXAS REPUBLIC TITLE COMPANY Houston, Texas	261st	386,183
TEXAS RETAILERS ASSOCIATION GROUP BENEFIT TRUST Austin, Texas	98th	414,653
TRANSIT CASUALTY COMPANY Earth City, Missouri	261st	389,526
UNION FIDELITY AND GUARANTY CORPORATION, LTD., et al Georgetown, Cayman Island, British West Indies	250th	317,534
UNION INDEMNITY INSURANCE COMPANY OF NEW YORK New York, New York	261st	388,995
UNITED BANKERS LIFE INSURANCE COMPANY Dallas, Texas	147th	341,129
UNITED CAPITAL LIFE INSURANCE COMPANY Houston, Texas	200th	314,515
UNITED EMPLOYERS INSURANCE COMPANY Houston, Texas	53rd	384,361
UNIVERSITY LIFE INSURANCE COMPANY OF AMERICA Indianapolis, Indiana	250th	373,053
WESTERN PREFERRED CASUALTY COMPANY Englewood, Colorado	167th	399,371
WISCONSIN SURETY CORPORATION Madison, Wisconsin	200th	232,373

BELOW IS A LIST OF THE FOLLOWING CHARTS:

Texas Property & Casualty Insurance Guaranty Association

Statement of Cash Receipts & Disbursements

for Period Ended August 31, 1987

(Unaudited)

See Pages 90 - 93

Texas Life Accident Health & Hospital Service Insurance Guaranty Association

Statement of Cash Receipts & Disbursements

for Period Ended August 31, 1987

(Unaudited)

See Pages 94 - 97

Liquidation Division of the State Board of Insurance

Assets, Liabilities and Excess or (Deficit) of Assets

Over Liabilities - Receiverships and Conservatorships

As of August 31, 1987

(Unaudited)

See Pages 98 - 111

Liquidation Division of the State Board of Insurance

Cash Receipts, Disbursements & Cash Balances

Receiverships and Conservatorships

As of August 31, 1987

(Unaudited)

See Pages 113 - 120

TEXAS PROPERTY & CASUALTY INSURANCE GUARANTY ASSOCIATION
Statement of Cash Receipts & Disbursements
for Period Ended August 31, 1987
(UNAUDITED)

Assessment Funds	Total	Other Lines
Balance as of August 31,1986	$3,785,004.28	$66,134.45
Receipts		
Interest On Accounts	$322,847.80	$30,855.41
Transfers:		
Interest	178,691.38	
From Collection	19,975,000.00	8,560,000.00
From Other Lines	3,800,000.00	
From Auto	1,449,261.99	
August 1986 Assessment	19,991,945.00	
Texas Commerce Bank Draw	8,982,000.00	2,442,000.00
Refund - Legal Services	41.03	
Reimbursement - Mission Legal Expense	177,176.98	
Repayments:		
Summit Insurance Co.	8.57	8.57
Security Casualty Co.	14,408.53	
Excalibur Insurance Co.	15,000.00	
Ideal Mutual Insurance Co.	42,500.00	
Commercial Standard	201,071.23	
Southeast Indemnity	50,000.00	
National Allied	385,000.00	100,000.00
Total Receipts	$55,584,952.51	$11,132,863.98
Total Funds Available	$59,369,956.79	$11,198,998.43
Disbursements		
Transfers:		
Interest	$198,647.89	$22,453.83
To Worker's Compensation	10,764,261.99	3,800,000.00
To Other Lines	8,560,000.00	
To Auto	5,200,000.00	
To Administrative	700,000.00	
Loans To Receiverships:		
Security Casualty	16,081.90	16,081.90
Cotton Belt	15,000.00	
Pacific American	55,000.00	
Excalibur	530,000.00	200,000.00
Surety of California	205,000.00	175,000.00
Ideal Mutual	1,425,500.00	400,000.00
Commercial Standard	390,000.00	150,000.00
Early American	1,570,000.00	100,000.00
Eastern Indemnity	811,000.00	550,000.00
Columbus Insurance Co.	810,000.00	300,000.00
S & H Insurance	25,000.00	25,000.00
United Employers	175,000.00	
Union Indemnity	187,500.00	175,000.00
Transit Casualty	8,220,000.00	1,750,000.00
Iowa National	105,000.00	
Carriers Insurance Co.	2,290,000.00	50,000.00
American Fidelity	183,000.00	10,000.00
Great Global	1,500,000.00	100,000.00
Midland Insurance	4,271,000.00	350,000.00
American Druggists	754,000.00	525,000.00
Allied Fidelity	923,000.00	500,000.00
National Allied	2,485,000.00	600,000.00
Proprietors Insurance	50,000.00	
Oklahoma Logistics	11,000.00	
Southeast Indemnity	50,000.00	
Mission Insurance Co.	651,000.00	500,000.00
Mission National	1,505,000.00	500,000.00
Enterprise Insurance Corp.	69,000.00	
Preferred Employers	2,395,000.00	

Worker's Compensation	Auto	Administrative	Collection
$721,805.58	$2,904,943.17	$92,121.08	$0.00
$18,378.98	$42,001.48	$120,743.51	$110,868.42
		178,691.38	
5,715,000.00	5,200,000.00	500,000.00	
3,800,000.00			
1,249,261.99		200,000.00	
			19,991,945.00
6,540,000.00			
		41.03	
		177,176.98	
	11,542.29	2,866.24	
		15,000.00	
	42,500.00		
	201,071.23		
50,000.00			
	285,000.00		
$17,372,640.97	$5,782,115.00	$1,194,519.14	$20,102,813.42
$18,094,446.55	$8,687,058.17	$1,286,640.22	$20,102,813.42
$19,698.43	$45,627.21		$110,868.42
	1,249,261.99		5,715,000.00
			8,560,000.00
			5,200,000.00
	200,000.00		500,000.00
		15,000.00	
		55,000.00	
80,000.00	250,000.00		
		30,000.00	
920,000.00		105,500.00	
40,000.00	200,000.00		
50,000.00	1,350,000.00	70,000.00	
		261,000.00	
500,000.00		10,000.00	
175,000.00			
		12,500.00	
4,600,000.00	1,750,000.00	120,000.00	
100,000.00		5,000.00	
800,000.00	1,400,000.00	40,000.00	
	150,000.00	23,000.00	
1,400,000.00			
3,800,000.00		121,000.00	
50,000.00	150,000.00	29,000.00	
150,000.00	200,000.00	73,000.00	
1,550,000.00	335,000.00		
	50,000.00		
		11,000.00	
50,000.00			
115,000.00		36,000.00	
1,005,000.00			
44,000.00		25,000.00	
2,395,000.00			

TEXAS PROPERTY & CASUALTY
INSURANCE GUARANTY ASSOCIATION
Statement of Cash Receipts & Disbursements
for Period Ended August 31, 1987
(UNAUDITED)

Assessment Funds	Total	Other Lines
Kenilworth	500.00	
Dexter Lloyds	600,000.00	300,000.00
Signal Insurance Lloyds	154,000.00	100,000.00
Mission Reinsurance	1,000.00	
Refund of Assessments	5.00	
Transfer To TLAH	5.00	
Consulting	36,485.00	
Legal	138,975.94	
Audit	45,600.00	
Postage	358.32	
Travel	246.00	
Computer Systems Expense	1,560.00	
Office Supplies	51.00	
CD Penalty	738.01	
Total Disbursements	$58,079,516.05	$11,198,535.73
Balance Assessed Funds August 31,1987	$1,290,440.74	$462.70

Balance Consists of:

Other Lines Account	
Cash in Bank	
Texas Commerce Bank - Now Account	$462.70
Worker's Compensation Account	
Cash in Banks	
Texas Commerce Bank - Now Account	$250,748.12
Automobile Account	
Cash in Banks	
Texas Commerce Bank - Now Account	$1,005,930.96
Administrative Account	
Cash in Banks	
First City Bank - Now Account	$16,363.96
Texas Commerce Bank	
Assessment Collection Account	$16,935.00
Total Funds August 31, 1987	

Worker's Compensation	Auto	Administrative	Collection
	500.00		
	300,000.00		
	50,000.00	4,000.00	
		1,000.00	
			5.00
			5.00
		36,485.00	
		138,975.94	
		45,600.00	
		358.32	
		246.00	
		1,560.00	
		51.00	
	738.01		
$17,843,698.43	$7,681,127.21	$1,270,276.26	$20,085,878.42
$250,748.12	$1,005,930.96	$16,363.96	$16,935.00

$462.70

$250,748.12

$1,005,930.96

$33,298.96

$1,290,440.74

TEXAS LIFE ACCIDENT HEALTH & HOSPITAL SERVICE
INSURANCE GUARANTY ASSOCIATION
Statement of Cash Receipts & Disbursements
for Period Ended August 31, 1987
(UNAUDITED)

Assessment Funds	Total	Accident & Health
Balance as of August 31,1986	$1,277,271.53	$767,979.29
Receipts		
Interest on Accounts	$94,234.73	$45,223.94
Transfers:		
Interest	87,517.92	
From Collection	4,867,451.06	4,867,451.06
From Accident and Health	915,000.00	
Assessment	529.33	
August 1986 Assessment	4,877,575.00	
Texas Commerce Bank Borrowed Funds	18,550,000.00	18,550,000.00
Recovery of Assessment	39,325.00	39,325.00
Independent Bankers Life	7,322.34	7,322.34
Reimbursemt From Tx Property Casualty	559.00	
Total Receipts	$29,439,514.38	$23,509,322.34
Total Funds Available	$30,716,785.91	$24,277,301.63
Disbursements		
Transfers		
Interest	$85,305.28	$46,027.93
To Accident and Health	4,867,451.06	
To Life	795,000.00	795,000.00
To Administrative	120,000.00	120,000.00
Texas Commerce Bank Note Payment	1,500,000.00	1,500,000.00
Texas Commerce Bank Note Interest	22,689.05	22,689.05
Assessment Refund	855.00	
Loans To Receiverships:		
United Bankers Life	144,000.00	144,000.00
Independent Bankers	27,000.00	27,000.00
Independent Standard	66,500.00	65,600.00
University Life	5,000.00	
National Investors	2,000.00	
Continental Service Life	173,500.00	150,000.00
Texas Fidelity Life	1,475,000.00	1,320,000.00
California Life	2,715,000.00	2,600,000.00
Continental Bankers	5,031,000.00	4,350,000.00
Hermitage Health and Life	189,000.00	155,000.00
Keystone Life	11,528,595.41	11,178,595.41
Eagle Life	1,725,000.00	1,700,000.00
Consulting	12,272.28	
Legal	25,301.38	
Audit	2,359.00	
Travel	641.46	
Postage	384.82	
Computer Systems Expense	1,560.00	
Office Supplies	51.00	
Total Disbursements	$30,515,465.74	$24,173,912.39
Balance Assessed Funds August 31,1987	$201,320.17	$103,389.24

Life	Annuity	Expense	Collection
$258,632.61	$26,197.21	$224,462.42	$0.00
$6,561.20	$917.98	$9,588.67	$31,942.94
		87,517.92	
795,000.00		120,000.00	
		529.33	
			4,877,575.00
		559.00	
$801,561.20	$917.98	$218,194.92	$4,909,517.94
$1,060,193.81	$27,115.19	$442,657.34	$4,909,517.94
$7,345.47	$0.00	$0.00	$31,931.88
			4,867,451.06
			855.00
900.00			
		5,000.00	
		2,000.00	
		23,500.00	
85,000.00		70,000.00	
15,000.00		100,000.00	
575,000.00		106,000.00	
		34,000.00	
350,000.00			
		25,000.00	
1,000.00		11,272.28	
24,591.03		710.35	
		2,359.00	
		641.46	
		384.82	
		1,560.00	
		51.00	
$1,058,836.50	$0.00	$382,478.91	$4,900,237.94
$1,357.31	$27,115.19	$60,178.43	$9,280.00

TEXAS LIFE ACCIDENT HEALTH & HOSPITAL SERVICE
INSURANCE GUARANTY ASSOCIATION
Statement of Cash Receipts & Disbursements
for Period Ended August 31, 1987
(UNAUDITED)

Balance Consists of:

Accident & Health Fund	
Cash in Bank	
Texas Commerce Bank - Now Account	$103,389.24
Life Fund	
Cash in Banks	
M Bank - NOW Account	$1,357.31
Annuity Fund	
Certificates of Deposit	
M Bank	$27,115.19
Expense Fund	
M Bank - NOW Account	$60,178.43
Interfirst Bank	
Assessment Collection Account	$9,280.00
Total Funds August 31, 1987	

	$103,389.24
	$1,357.31
	$27,115.19
	$69,458.43
	$201,320.17

LIQUIDATION DIVISION OF THE STATE BOARD OF INSURANCE
ASSETS, LIABILITIES AND EXCESS OR (DEFICIT) OF ASSETS
OVER LIABILITIES - RECEIVERSHIPS AND CONSERVATORSHIPS
AS OF AUGUST 31, 1987
(UNAUDITED)

NO.	NAME	DEMAND DEPOSITS	RECEIVABLES ACCOUNTS, NOTES AGENTS, MTG.	CERT. OF DEP. SAVINGS CERT.
	RECEIVERSHIP			
190	OLD NATIONAL OF ALABAMA	$52,553.80	$117,860.57	$253,790.90
192-3	PIONEER CASUALTY CO			
	PIONEER GEN AGENCY	27,149.71	5,259.84	482,819.37
201	NATIONAL BANKERS LIFE	195.09	0.00	0.00
205	GREAT LIBERTY LIFE	5,462.18	0.00	0.00
206	FIRST FIRE & CASUALTY	5,198.57	0.00	0.00
209	EMPIRE LIFE	18,482.29	0.00	0.00
213	OLD NATIONAL OF TEXAS	4,599.90	80,379.15	43,000.00
226	WISCONSIN SURETY CORP	316.45	0.00	30,344.34
227	INTERSTATE INS CO	1,802.98	0.00	0.00
230	CARDINAL LIFE INS	4,817.09	0.00	0.00
231	MOBILE INS CO	101,336.30	386,600.49	3,007,418.31
232	MOBILE COUNTY MUTUAL	540,483.20	304,979.05	1,386,606.02
233	MCINGVALE ASSOC GEN AGENCY	36,917.12	0.00	250,000.00
238	MANUFACTURERS & WHOLESALERS	1,673.85	0.00	0.00
244	OLD SECURITY LIFE	1,704.16	0.00	0.00
246	PHOENIX ASSURANCE AGENCY	13,756.61	0.00	0.00
247	PHOENIX FIDELITY LIFE	32,601.82	22,500.00	0.00
248	GENERAL PROTECTIVE LIFE	269,150.08	14,583.60	150,000.00
249	AMERICAN GUARANTY LIFE	30,963.88	0.00	0.00
251	FIRST AMERICAN SURETY	23.81	0.00	0.00
253	SOCIEDAD MUTUALISTA MEXICANA			
	MONTE DE LAS CRUCES	4,265.31	0.00	0.00
254	RESERVE INS CO	20,720.15	0.00	0.00
256	TEXAS PREPAID HEALTH PLAN	19,621.92	5,000.00	50,000.00
257	MINISTERS BENEFIT TRUST	304.05	0.00	0.00
258	UNITED CAPITAL LIFE	40,310.19	10,000.00	100,000.00
259	UNION FIDELITY&GUARANTY CORP	25,626.65	0.00	0.00
260	FIRST UNITED LIFE	12,219.23	12,451.22	100,000.00
261	GROUP HEALTH OF EL PASO, INC	3,814.33	0.00	0.00
262	METROCARE, INC.	10,821.86	0.00	0.00
263	PROPRIETORS' INS	33,330.21	0.00	0.00
266	METROPOLITAN TRUST CO	284.22	0.00	0.00
267	SECURITY CASUALTY CO	25,564.63	0.00	0.00
269	KENILWORTH INS CO	64,086.87	67,886.30	7,082.52
270	COTTON BELT INS CO	93,315.30	0.00	1,822.62
271	MALL INS AGENCY, INC	272.27	0.00	0.00
272	PREMIER NAT'L LIFE	66,971.86	14,125.83	0.00
273	PREMIER GROUP SERVICES, INC	670.85	0.00	0.00
274	PREMIER NAT'L AGENCY, INC	19.28	0.00	0.00
275	LLOYDS OF AMERICA INS	48,859.96	459,665.30	710,095.46
276	GRANITE STATE INS	6,679.35	0.00	16,000.00
277	UNITED BANKERS LIFE	236,885.38	402,276.17	710,000.00
278	EQUITABLE INS EXCHANGE, INC	52,665.97	702,073.71	0.00
279	SUPERIOR LLOYDS INS	27,939.02	481,590.42	172,000.00
280	AMERICAN MANAGERS, INC	28,889.46	4,159.59	100,000.00
281	ADCO FIRE & CASUALTY CO	265.58	42,962.48	200,493.15
282	COLONIAL TITLE CO	758.18	19,502.27	0.00
283	IOWA STATE TRAVELERS MUTUAL	34,005.72	0.00	0.00
284	FLORIDA GENERAL LIFE	270.03	0.00	0.00
285	ACTION INS AGENCY, ET AL	2,510.04	0.00	0.00
286	LIMESTONE LIFE ASSOC	217.28	0.00	0.00
288	STEVE MILES INS AGENCY	126.05	0.00	0.00
289	INDEPENDENT BANKERS LIFE	366,551.74	40,000.00	337,463.03
290	OKLAHOMA INS LOGISTICS	449,920.33	467,217.54	0.00

REAL ESTATE LAND, BLDGS.	FURNITURE FIXTURES EQUIPMENT	SECURITIES OTHER ASSETS INVESTMENTS	RESTRICTED ASSETS	TOTAL ASSETS
$0.00	$0.00	$500.00	$46,760.59	$471,465.86
0.00	1,693.50		627,277.48	1,144,199.90
0.00	2,214.00	0.00	11,799,550.68	11,801,959.77
0.00	503.00	0.00	6,062.35	12,027.53
0.00	4,380.00	0.00	13,959.47	23,538.04
0.00	16,798.00	0.00	332,131.24	367,411.53
894,751.06	0.00	0.00	305,248.94	1,327,979.05
0.00	0.00	0.00	7,500.00	38,160.79
0.00	0.00	0.00	0.00	1,802.98
0.00	0.00	0.00	8,036.54	12,853.63
0.00	12,871.25	70,745.00	2,670,123.10	6,249,094.45
0.00	350.00	0.00	4,154,798.14	6,387,216.41
0.00	0.00	0.00	7,500.00	294,417.12
0.00	0.00	0.00	0.00	1,673.85
0.00	21.70	0.00	0.00	1,725.86
0.00	0.00	0.00	7,500.00	21,256.61
0.00	0.00	0.00	23,559.85	78,661.67
0.00	0.00	0.00	8,377.17	442,110.85
0.00	0.00	0.00	7,500.00	38,463.88
0.00	0.00	0.00	0.00	23.81
0.00	1,453.00	80.00	0.00	5,798.31
0.00	0.00	0.00	7,500.00	28,220.15
0.00	6,249.00	0.00	7,500.00	88,370.92
0.00	0.00	0.00	0.00	304.05
0.00	2,545.00	0.00	7,500.00	160,355.19
0.00	0.00	0.00	7,500.00	33,126.65
0.00	6,295.00	0.00	0.00	130,965.45
0.00	3,965.00	0.00	7,500.00	15,279.33
0.00	0.00	0.00	0.00	10,821.86
0.00	0.00	0.00	7,500.00	40,830.21
0.00	910.00	0.00	1,155,961.16	1,157,155.38
0.00	1,290.00	0.00	0.00	26,854.63
0.00	1,137.00	0.00	7,500.00	147,692.69
0.00	0.00	0.00	199,267.44	294,405.36
0.00	1,754.40	0.00	0.00	2,026.67
0.00	2,059.00	0.00	837,895.29	921,051.98
0.00	0.00	0.00	0.00	670.85
0.00	170.90	0.00	55,381.17	55,571.35
0.00	820.00	0.00	728,099.86	1,947,540.58
0.00	60.00	0.00	5,034.89	27,774.24
0.00	83,787.11	100,000.00	7,500.00	1,540,448.66
0.00	3,481.14	0.00	375,674.51	1,133,895.33
0.00	0.00	1,959.00	507,455.05	1,190,943.49
0.00	1,830.00	0.00	7,500.00	142,379.05
89,500.00	4,485.00	0.00	75,731.32	413,437.53
0.00	3,090.00	0.00	0.00	23,350.45
0.00	0.00	0.00	9,752.10	43,757.82
0.00	0.00	0.00	0.00	270.03
0.00	1,115.00	0.00	0.00	3,625.04
0.00	2.10	0.00	0.00	219.38
0.00	15.00	0.00	0.00	141.05
0.00	3,950.00	49,213.16	1,373,605.87	2,170,783.80
0.00	0.00	1.00	7,500.00	924,638.87

LIQUIDATION DIVISION OF THE STATE BOARD OF INSURANCE
ASSETS, LIABILITIES AND EXCESS OR (DEFICIT) OF ASSETS
OVER LIABILITIES - RECEIVERSHIPS AND CONSERVATORSHIPS
AS OF AUGUST 31, 1987
(UNAUDITED)

NO.	NAME	LIABILITIES RESERVE CAPITAL	SURPLUS OR (DEFICIT)
	RECEIVERSHIP		
190	OLD NATIONAL OF ALABAMA	$262,100.00	$209,365.86
192-3	PIONEER CASUALTY COMPANY		
	PIONEER GEN AGENCY	283,734.40	860,465.50
201	NATIONAL BANKERS LIFE	6,108,029.55	5,693,930.22
205	GREAT LIBERTY LIFE	507,806.68	(495,779.15)
206	FIRST FIRE & CASUALTY	764,317.91	(740,779.87)
209	EMPIRE LIFE	2,068,155.43	(1,700,743.90)
213	OLD NATIONAL OF TEXAS	1,458,483.81	(130,504.76)
226	WISCONSIN SURETY CORP	0.00	38,160.79
227	INTERSTATE INS CO	0.00	1,802.98
230	CARDINAL LIFE INS	60,436.76	(47,583.13)
231	MOBILE INS CO	4,983,333.05	1,265,761.40
232	MOBILE COUNTY MUTUAL	352,595.60	6,034,620.81
233	MCINGVALE ASSOC GEN AGENCY	0.00	294,417.12
238	MANUFACTURERS & WHOLESALERS	428,042.95	(426,369.10)
244	OLD SECURITY LIFE	0.00	1,725.86
246	PHOENIX ASSURANCE AGENCY	0.00	21,256.61
247	PHOENIX FIDELITY LIFE	1,527,712.97	(1,449,051.30)
248	GENERAL PROTECTIVE LIFE	959,442.76	(517,331.91)
249	AMERICAN GUARANTY LIFE	1,522,725.00	(1,484,261.12)
251	FIRST AMERICAN SURETY	283,128.26	(283,104.45)
253	SOCIEDAD MUTUALISTA MEXICANA		
	MONTE DE LAS CRUCES	29,460.00	(23,661.69)
254	RESERVE INS CO	431,837.54	(403,617.39)
256	TEXAS PREPAID HEALTH PLAN	1,836,594.05	(1,748,223.13)
257	MINISTERS BENEFIT TRUST	914,825.81	(914,521.76)
258	UNITED CAPITAL LIFE	2,400,807.90	(2,240,452.71)
259	UNION FIDELITY & GUARANTY CORP	1,518,986.31	(1,485,859.66)
260	FIRST UNITED LIFE	652,855.92	(521,890.47)
261	GROUP HEALTH OF EL PASO, INC	1,514,982.62	(1,499,703.29)
262	METROCARE, INC.	42,167.13	(31,345.27)
263	PROPRIETORS' INC	15,751,336.16	(15,710,505.95)
266	METROPOLITAN TRUST CO	1,702,601.55	(545,446.17)
267	SECURITY CASUALTY CO	134,899.88	(108,045.25)
269	KENILWORTH INS CO	1,740,638.06	(1,592,945.37)
270	COTTON BELT INS CO	1,071,778.10	(777,372.74)
271	MALL INS AGENCY, INC	18,878.25	(16,851.58)
272	PREMIER NAT'L LIFE	613,374.46	307,677.52
273	PREMIER GROUP SERVICES, INC	1,479,962.14	(1,479,291.29)
274	PREMIER NAT'L AGENCY, INC	641,440.88	(585,869.53)
275	LLOYDS OF AMERICA INC	2,016,590.18	(69,049.60)
276	GRANITE STATE INS	12,781,602.52	(12,753,828.28)
277	UNITED BANKERS LIFE	11,747,946.11	(10,207,497.45)
278	EQUITABLE INS EXCHANGE, INC	958,307.52	175,587.81
279	SUPERIOR LLOYDS INC	1,360,428.47	(169,484.98)
280	AMERICAN MANGERS, INC	0.00	142,379.05
281	ADCO FIRE & CASUALTY CO	885,857.41	(472,419.88)
282	COLONIAL TITLE CO	1,766,678.60	(1,743,328.15)
283	IOWA STATE TRAVELERS MUTUAL	620,125.44	(576,367.62)
284	FLORIDA GENERAL LIFE	4,710.00	(4,439.97)
285	ACTION INS AGENCY, ET AL	23,500.00	(19,874.96)
286	LIMESTONE LIFE ASSOC	306,275.25	(306,055.87)
288	STEVE MILES INS AGENCY	5,000.00	(4,858.95)
289	INDEPENDENT BANKERS LIFE	8,996,934.51	(6,826,150.71)
290	OKLAHOMA INS LOGISTICS	2,552,615.02	(1,627,976.15)

LIQUIDATION DIVISION OF THE STATE BOARD OF INSURANCE
ASSETS, LIABILITIES AND EXCESS OR (DEFICIT) OF ASSETS
OVER LIABILITIES - RECEIVERSHIPS AND CONSERVATORSHIPS
AS OF AUGUST 31, 1987
(UNAUDITED)

NO.	NAME	DEMAND DEPOSITS	RECEIVABLES ACCOUNTS, NOTES AGENTS, MTG.	CERT. OF DEP. SAVINGS CERT.
	RECEIVERSHIP			
291	PACIFIC AMERICAN INS CO	345,895.58	72,265.16	0.00
292	EXCALIBUR INS CO	381,305.61	0.00	0.00
293	SURETY INS CO OF CALIFORNIA	346,943.05	0.00	0.00
294	INDEPENDENT STANDARD INS	91,097.00	15,312.68	0.00
295	ASPEN INDEMNITY CORP	195.61	0.00	0.00
296	AMERICAN REAL ESTATE ASSOC	683.64	0.00	0.00
297	SOUTHEAST INDEMNITY CO	49,331.79	0.00	524,592.14
298	UNIVERSITY LIFE INS CO	13,256.61	0.00	0.00
299	NATIONAL INVESTORS LIFE INS	1,684.89	0.00	0.00
300	IDEAL MUTUAL INS CO	736,194.31	1,481.65	0.00
301	COMMERCIAL STANDARD INS CO	1,050,151.41	604,283.13	2,724,573.48
302	EARLY AMERICAN INS CO	761,292.53	71,152.11	0.00
303	EASTERN INDEMNITY CO OF MARYLAND	688,782.72	2,310.72	0.00
304	COLUMBUS INS CO	723,506.27	119,525.58	100,000.00
305	COMMONWEALTH MARINE & GEN ASSURANCE CO, LTD	235.79	0.00	0.00
306	AMERICAN INS GROUP, LTD	2,022.53	0.00	0.00
307	S & H INSURANCE CO	92,887.36	0.00	0.00
308	UNITED EMPLOYERS INS CO	206,508.18	87,028.44	0.00
309	CHRISTIAN ORGANIZATION MEDICAL SOCIETY, INC	865.35	12,732.05	0.00
310	GEORGE D. ALBRIGHT, ET AL	225.79	0.00	0.00
311	TEXAS REPUBLIC TITLE CO	252.73	0.00	0.00
312	UNION INDEMNITY INS CO OF NEW YORK	195,910.88	0.00	0.00
313	TRANSIT CASUALTY CO	3,097,749.02	55,456.43	0.00
314	IOWA NATIONAL MUTUAL INS CO	1,379.12	0.00	63,148.02
315	CONTINENTAL SERVICE LIFE & HEALTH	156,384.04	0.00	0.00
317	CARRIERS INS CO	977,788.09	0.00	0.00
318	AMERICAN FIDELITY FIRE INS CO	154,336.29	0.00	0.00
319	TEXAS FIDELITY LIFE INS CO	235,036.90	17,803.73	0.00
320	THE GREAT GLOBAL ASSURANCE CO	436,450.97	0.00	0.00
321	TEXAS FIRE & CASUALTY CO	1,397,714.79	320,202.50	5,379,074.21
322	MIDLAND INS CO	1,300,958.78	65,389.00	0.00
323	THE AMERICAN DRUGGISTS' INS CO	612,754.54	21,386.00	0.00
324	WESTERN PREFERRED CASUALTY CO	46,361.15	0.00	0.00
325	ALLIED FIDELITY INS CO	654,179.51	0.00	0.00
326	CALIFORNIA LIFE INS CO	202,333.38	0.00	0.00
327	CONTINENTAL BANKERS LIFE INS CO OF THE SOUTH	376,605.98	349,472.90	0.00
328	NATIONAL ALLIED INS CO	1,272,033.49	343,916.45	2,060,226.07
329	DEXTER LLOYDS INS CO	442,424.76	0.00	550,000.00
330	SIGNAL INS LLOYDS CO	150,038.32	0.00	103,600.98
331	MISSION INSURANCE CO	594,046.58	500.24	0.00
332	MISSION NATIONAL INS CO	1,434,186.67	0.00	0.00
333	MISSION REINSURANCE CORP	363.51	0.00	0.00
334	ENTERPRISE INS CO	42,782.81	0.00	0.00
335	HERMITAGE HEALTH & LIFE INS CO	79,178.77	0.00	0.00
336	KEYSTONE LIFE INS CO	3,352,919.88	1,659,008.62	500,000.00
337	PREFERRED EMPLOYERS INS CO	1,746,550.67	787.49	290,000.00
338	EDWARD PATTERSON CUDE, ET AL	433,324.31	354.28	0.00
340	EAGLE LIFE INS CO	163,507.63	0.00	0.00
341	TX RETAILERS ASSOC BENEFIT TRUST	18,435.01	0.00	0.00
342	NO. AMERICAN INS CO INC, ET AL	157,143.72	0.00	0.00
343	INTEGRITY INSURANCE CO	163,278.94	0.00	0.00
344	NORMAN COHART, ET AL	0.00	0.00	0.00
345	RUTH MILLER BURFORD, ET AL	58,799.46	0.00	0.00
	TOTAL RECEIVERSHIPS	$28,276,228.88	$7,481,442.69	$20,404,150.62

REAL ESTATE LAND, BLDGS.	FURNITURE FIXTURES EQUIPMENT	SECURITIES OTHER ASSETS INVESTMENTS	RESTRICTED ASSETS	TOTAL ASSETS
0.00	0.00	0.00	702,751.60	1,120,912.34
0.00	0.00	0.00	7,500.00	388,805.61
0.00	0.00	0.00	0.00	346,943.05
0.00	10,937.63	0.00	141,533.39	258,880.70
0.00	0.00	0.00	12,757.68	12,953.29
0.00	1,525.00	0.00	586,601.71	588,810.35
0.00	1,879.00	0.00	205,830.37	781,633.30
0.00	0.00	0.00	7,500.00	20,756.61
0.00	0.00	0.00	0.00	1,684.89
0.00	0.00	0.00	184,434.23	922,110.19
0.00	42,383.00	1,010.00	5,288,167.42	9,710,568.44
0.00	0.00	0.00	7,500.00	839,944.64
0.00	10,300.00	0.00	336,141.89	1,037,535.33
0.00	0.00	0.00	7,500.00	950,531.85
0.00	0.00	0.00	0.00	235.79
0.00	2,500.00	237.27	0.00	4,759.80
0.00	0.00	0.00	95,444.96	188,332.32
0.00	0.00	0.00	7,500.00	301,036.62
0.00	0.00	0.00	142,905.66	156,503.06
0.00	0.00	0.00	0.00	225.79
0.00	0.00	0.00	347,274.39	347,527.12
0.00	0.00	0.00	0.00	195,910.88
0.00	0.00	0.00	7,500.00	3,160,705.45
0.00	0.00	0.00	0.00	64,527.14
0.00	0.00	0.00	5,342.57	161,726.61
0.00	0.00	0.00	54,112.00	1,031,900.09
0.00	0.00	0.00	7,500.00	161,836.29
18,047.00	22,651.74	500.00	230,204.52	524,243.89
0.00	0.00	360.50	88,515.72	525,327.19
309,104.00	7,847.16	100,000.00	19,964,610.91	27,478,553.57
0.00	0.00	70,000.00	0.00	1,436,347.78
0.00	0.00	80,000.00	0.00	714,140.54
0.00	0.00	0.00	7,500.00	53,861.15
0.00	0.00	65,000.00	109,319.99	828,499.50
0.00	0.00	760.07	31,286.00	234,379.45
0.00	0.00	175,626.11	4,142,185.48	5,043,890.47
0.00	8,000.00	304,443.71	1,326,328.44	5,314,948.16
0.00	0.00	9,045.00	68,461,817.40	69,463,287.16
0.00	0.00	0.00	557,247.96	810,887.26
0.00	0.00	0.00	183,461.60	778,008.42
0.00	0.00	0.00	115,791.87	1,549,978.54
0.00	0.00	0.00	0.00	363.51
0.00	0.00	0.00	139,135.25	181,918.06
0.00	0.00	0.00	0.00	79,178.77
0.00	56,137.38	7,300,692.87	557,585.73	13,426,344.48
0.00	0.00	0.00	7,500.00	2,044,838.16
0.00	0.00	0.00	0.00	433,678.59
0.00	0.00	4.41	232,500.00	396,012.04
0.00	0.00	0.00	0.00	18,435.01
0.00	0.00	0.00	0.00	157,143.72
0.00	0.00	0.00	0.00	163,278.94
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	58,799.46
$1,311,402.06	$333,456.01	$8,330,178.10	$129,735,532.95	$195,872,391.31

LIQUIDATION DIVISION OF THE STATE BOARD OF INSURANCE
ASSETS, LIABILITIES AND EXCESS OR (DEFICIT) OF ASSETS
OVER LIABILITIES - RECEIVERSHIPS AND CONSERVATORSHIPS
AS OF AUGUST 31, 1987
(UNAUDITED)

NO.	NAME	LIABILITIES RESERVE CAPITAL	SURPLUS OR (DEFICIT)
	RECEIVERSHIP		
291	PACIFIC AMERICAN INS CO	3,951,393.98	(2,830,481.64)
292	EXCALIBUR INS CO	2,509,129.32	(2,120,323.71)
293	SURETY INS CO OF CALIFORNIA	980,434.31	(633,491.26)
294	INDEPENDENT STANDARD INS	1,326,154.56	(1,067,273.86)
295	ASPEN INDEMNITY CORP	68,490.21	(55,536.92)
296	AMERICAN REAL ESTATE ASSOC	8,660,082.74	(8,071,272.39)
297	SOUTHEAST INDEMNITY CO	225,741.95	555,891.35
298	UNIVERSITY LIFE INS CO	15,000.00	5,756.61
299	NATIONAL INVESTORS LIFE INS	27,000.00	(25,315.11)
300	IDEAL MUTUAL INS CO	12,705,912.55	(11,783,802.36)
301	COMMERCIAL STANDARD INS CO	20,313,891.91	(10,603,323.47)
302	EARLY AMERICAN INS CO	5,155,741.94	(4,315,797.30)
303	EASTERN INDEMNITY CO OF MARYLAND	4,648,165.97	(3,610,630.64)
304	COLUMBUS INS CO	3,980,595.12	(3,030,063.27)
305	COMMONWEALTH MARINE & GEN ASSURANCE CO, LTD	11,000.00	(10,764.21)
306	AMERICAN INS GROUP, LTD	29,525.15	(24,765.35)
307	S & H INSURANCE CO	1,305,367.91	(1,117,035.59)
308	UNITED EMPLOYERS INS CO	2,415,421.82	(2,114,385.20)
309	CHRISTIAN ORGANIZATION MEDICAL SOCIETY, INC	249,500.00	(92,996.94)
310	GEORGE D. ALBRIGHT, ET AL	3,500.00	(3,274.21)
311	TEXAS REPUBLIC TITLE CO	65,200.00	282,327.12
312	UNION INDEMNITY INS CO OF NEW YORK	2,198,248.00	(2,002,337.12)
313	TRANSIT CASUALTY CO	29,152,264.37	(25,991,558.92)
314	IOWA NATIONAL MUTUAL INS CO	57,800.98	6,726.16
315	CONTINENTAL SERVICE LIFE & HEALTH	1,723,320.81	(1,561,594.20)
317	CARRIERS INS CO	8,493,351.64	(7,461,451.55)
318	AMERICAN FIDELTY FIRE INS CO	340,112.50	(178,276.21)
319	TEXAS FIDELITY LIFE INS CO	3,213,790.35	(2,689,546.46)
320	THE GREAT GLOBAL ASSURANCE CO	3,375,441.64	(2,850,114.45)
321	TEXAS FIRE & CASUALTY CO	13,349,449.86	14,129,103.71
322	MIDLAND INS CO	11,681,885.57	(10,245,537.79)
323	THE AMERICAN DRUGGISTS' INS CO	1,755,024.50	(1,040,883.96)
324	WESTERN PREFERRED CASUALTY CO	240,000.00	(186,138.85)
325	ALLIED FIDELITY INS CO	4,269,706.34	(3,441,206.84)
326	CALIFORNIA LIFE INS CO	4,683,531.30	(4,449,151.85)
327	CONTINENTAL BANKERS LIFE INS CO OF THE SOUTH	10,432,497.61	(5,388,607.14)
328	NATIONAL ALLIED INS CO	9,185,204.94	(3,870,256.78)
329	DEXTER LLOYDS INS CO	4,608,604.89	64,854,682.27
330	SIGNAL INS LLOYDS CO	954,000.00	(143,112.74)
331	MISSION INSURANCE CO	6,877,204.40	(6,099,195.98)
332	MISSION NATIONAL INS CO	9,546,273.03	(7,996,294.49)
333	MISSION REINSURANCE CORP	1,850.00	(1,486.49)
334	ENTERPRISE INS CO	1,405,220.00	(1,223,301.94)
335	HERMITAGE HEALTH & LIFE INS CO	610,902.61	(531,723.84)
336	KEYSTONE LIFE INS CO	52,428,947.26	(39,002,602.78)
337	PREFERRED EMPLOYERS INS CO	4,507,433.28	(2,462,595.12)
338	EDWARD PATTERSON CUDE, ET AL	20,519.35	413,159.24
340	EAGLE LIFE INS CO	2,975,556.01	(2,579,543.97)
341	TX RETAILERS ASSOC BENEFIT TRUST	504.41	17,930.60
342	NO. AMERICAN INS CO INC, ET AL	188.13	156,955.59
343	INTEGRITY INSURANCE CO	4,187.37	159,091.57
344	NORMAN COHART, ET AL	1,527.79	(1,527.79)
345	RUTH MILLER BURFORD, ET AL	260.96	58,538.50
	TOTAL RECEIVERSHIPS	$354,836,102.26	($158,963,710.95)

LIQUIDATION DIVISION OF THE STATE BOARD OF INSURANCE
ASSETS, LIABILITIES AND EXCESS OR (DEFICIT) OF ASSETS
OVER LIABILITIES - RECEIVERSHIPS AND CONSERVATORSHIPS
AS OF AUGUST 31, 1987
(UNAUDITED)

NO.	NAME	DEMAND DEPOSITS	RECEIVABLES ACCOUNTS, NOTES AGENTS, MTG.	CERT. OF DEP. SAVINGS CERT.
	CONSERVATORSHIP			
C-268	TRUE PEOPLE OF AMERICA FRATERNAL BENEFIT SOCIETY	$378.52	$0.00	$0.00
C-270	FIRST HOUSTON TITLE	153,963.60	0.00	0.00
	TOTAL CONSERVATORSHIPS	$154,342.12	$0.00	$0.00

REAL ESTATE LAND, BLDGS.	FURNITURE FIXTURES EQUIPMENT	SECURITIES OTHER ASSETS INVESTMENTS	RESTRICTED ASSETS	TOTAL ASSETS
$0.00	$0.00	$20.00	$0.00	$398.52
0.00	0.00	0.00	0.00	153,963.60
$0.00	$0.00	$20.00	$0.00	$154,362.12

LIQUIDATION DIVISION OF THE STATE BOARD OF INSURANCE
ASSETS, LIABILITIES AND EXCESS OR (DEFICIT) OF ASSETS
OVER LIABILITIES - RECEIVERSHIPS AND CONSERVATORSHIPS
AS OF AUGUST 31, 1987
(UNAUDITED)

NO.	NAME	LIABILITIES RESERVE CAPITAL	SURPLUS OR (DEFICIT)
	CONSERVATORSHIP		
C-268	TRUE PEOPLE OF AMERICA FRATERNAL BENEFIT SOCIETY	$12,000.00	($11,601.48)
C-270	FIRST HOUSTON TITLE	190,352.32	(36,388.72)
	TOTAL CONSERVATORSHIPS	$202,352.32	($47,990.20)

LIQUIDATION DIVISION OF THE STATE BOARD OF INSURANCE
CASH RECEIPTS, DISBURSEMENTS & CASH BALANCES
RECEIVERSHIPS & CONSERVATORSHIPS
FOR THE YEAR ENDING AUGUST 31, 1987
(UNAUDITED)

NO.	NAME	DEMAND DEPOSITS 8/31/86	CASH RECEIPTS	TOTAL DEMAND DEPOSITS CASH RECEIPTS
	RECEIVERSHIP			
190	OLD NATIONAL OF ALABAMA	$43,355.40	$25,010.12	$68,365.52
191	ALABAMA NATIONAL LIFE	7,128.62	2,854.42	9,983.04
192-3	PIONEER CASUALTY CO			
	PIONEER GENERAL AGENCY	32,960.13	43,746.51	76,706.64
201	NATIONAL BANKERS LIFE	1,374.64	74.30	1,448.94
205	GREAT LIBERTY LIFE	5,412.93	283.71	5,696.64
206	FIRST FIRE & CASUALTY	3,830.88	664.50	4,495.38
209	EMPIRE LIFE	7,075.27	40,768.23	47,843.50
213	OLD NATIONAL OF TEXAS	8,870.02	14,905.84	23,775.86
226	WISCONSIN SURETY CORP.	10,505.39	2,440.37	12,945.76
227	INTERSTATE INS CO	1,819.83	972.42	2,792.25
228	SUMMIT INS. CO. OF NEW YORK	8.53	0.04	8.57
230	CARDINAL LIFE INS	5,119.25	258.13	5,377.38
231	MOBILE INS CO	56,809.31	239,240.06	296,049.37
232	MOBILE COUNTY MUTUAL	365,452.93	162,692.40	528,145.33
233	MCINGVALE ASSOC GEN AGENCY	0.00	269,557.08	269,557.08
238	MANUFACTURERS & WHOLESALERS	5,104.62	221.80	5,326.42
244	OLD SECURITY LIFE INS	2,146.98	361.97	2,508.95
246	PHOENIX ASSURANCE AGENCY	1,282.77	1,405.89	2,688.66
247	PHOENIX FIDELITY LIFE	24,540.96	18,111.12	42,652.08
248	GENERAL PROTECTIVE LIFE	56,240.60	26,519.98	82,760.58
249	AMERICAN GUARANTY LIFE	7,235.66	2,097.47	9,333.13
251	FIRST AMERICAN SURETY	22.63	1.18	23.81
253	SOCIEDAD MUTUALISTA MEXICANA			
	MONTE DE LAS CRUCES	1,513.42	4,009.89	5,523.31
254	RESERVE INS CO	29,784.92	1,513.92	31,298.84
256	TEXAS PREPAID HEALTH PLAN, ET AL	14,338.38	4,656.21	18,994.59
257	MINISTERS BENEFIT TRUST	14,558.64	(11,936.46)	2,622.18
258	UNITED CAPITAL LIFE	43,016.90	15,484.51	58,501.41
259	UNION FIDELITY&GUARANTY CORP	32,152.36	1,686.50	33,838.86
260	FIRST UNITED LIFE	31,782.48	6,641.77	38,424.25
261	GROUP HEALTH OF EL PASO, INC	8,659.81	4,399.64	13,059.45
262	METROCARE, INC.	16,911.53	(6,121.86)	10,789.67
263	PROPRIETORS' INS	10,028.38	52,608.34	62,636.72
266	METROPOLITAN TRUST CO	1,362.29	29.10	1,391.39
267	SECURITY CASUALTY CO	22,942.74	7,833.67	30,776.41
269	KENILWORTH INS CO	87,131.45	27,077.74	114,209.19
270	COTTON BELT INS CO	85,246.50	47,265.15	132,511.65
271	MALL INS AGENCY, INC	2,636.21	(2,350.61)	285.60
272	PREMIER NAT'L LIFE	26,790.21	51,209.87	78,000.08
273	PREMIER GROUP SERVICES, INC	931.22	45.20	976.42
274	PREMIER NAT'L AGENCY, INC	18.33	0.95	19.28
275	LLOYDS OF AMERICA INS	52,870.82	62,303.79	115,174.61
276	GRANITE STATE INS	6,753.17	1,304.53	8,057.70
277	UNITED BANKERS LIFE	163,755.81	213,879.80	377,635.61
278	EQUITABLE INS EXCHANGE, INC	88,773.12	25,217.98	113,991.10
279	SUPERIOR LLOYDS INS	38,862.42	20,340.07	59,202.49
280	AMERICAN MANAGERS, INC	27,658.99	10,305.17	37,964.16
281	ADCO FIRE & CASUALTY CO	52,773.68	13,989.74	66,763.42
282	COLONIAL TITLE CO	110.37	38,978.62	39,088.99
283	IOWA STATE TRAVELERS MUTUAL	43,285.21	4,537.00	47,822.21
284	FLORIDA GENERAL LIFE	7.06	2,752.12	2,759.18
285	ACTION INS AGENCY, ET AL	2,382.92	127.12	2,510.04
286	LIMESTONE LIFE ASSOC	59.67	7,935.97	7,995.64
288	STEVE MILES INS AGENCY	377.86	11.67	389.53
289	INDEPENDENT BANKERS LIFE	98,793.16	302,404.77	401,197.93
290	OKLAHOMA INS LOGISTICS CO	109,486.19	379,229.96	488,716.15

NET REDEMPTION (ACQUISITION) OF INVESTMENTS	SALARIES PROFESSIONAL FEES	UTILITIES & OTHER DISBURSEMENTS	TRAVEL & AUTO EXPENSE	INS. BONDS INTEREST TAXES	DIVIDENDS & CLAIMS PAID
$13,790.90	$1,302.38	$480.94	$3.22	$234.28	$0.00
(50,000.00)	2,730.22	56,761.84	0.00	490.98	0.00
18,387.92	6,922.53	23,109.97	7.23	1,129.28	0.00
0.00	817.30	302.36	0.00	134.19	0.00
0.00	152.45	55.19	0.00	26.82	0.00
(1,200.00)	295.39	151.62	0.00	49.80	0.00
(774,367.22)	2,584.07	800,906.77	0.00	237.59	0.00
0.00	8,702.37	3,445.98	0.00	1,542.25	5,485.36
7,844.34	3,510.46	965.87	4.94	303.70	0.00
0.00	437.99	473.60	0.00	77.68	0.00
0.00	0.00	8.57	0.00	0.00	0.00
0.00	228.32	291.58	0.00	40.39	0.00
(137,387.18)	13,691.03	317,645.22	1.60	762.40	0.00
(23,491.84)	7,017.53	2,577.42	127.84	1,374.68	56.50
232,639.96	0.00	0.00	0.00	0.00	0.00
0.00	2,875.78	541.15	0.00	235.64	0.00
(61.44)	563.78	206.46	0.00	95.99	0.00
(11,067.95)	0.00	0.00	0.00	0.00	0.00
7,500.00	1,669.07	615.78	0.00	265.41	0.00
(188,500.00)	1,444.00	462.47	3.22	200.81	0.00
(27,500.00)	2,549.58	2,887.13	0.00	432.54	0.00
0.00	0.00	0.00	0.00	0.00	0.00
0.00	815.26	309.45	1.05	132.24	0.00
7,500.00	1,987.74	724.87	0.00	366.08	0.00
(1,859.90)	794.78	290.68	0.00	147.11	0.00
0.00	1,493.02	676.81	0.00	148.30	0.00
(42,500.00)	50,735.20	9,096.37	39.68	819.97	0.00
7,500.00	449.09	164.52	17.09	81.51	0.00
(500.00)	18,924.15	5,634.50	262.11	1,884.26	0.00
7,500.00	793.24	814.57	0.00	137.31	0.00
0.00	77.90	31.82	0.00	14.09	(156.00)
(27,500.00)	4,111.71	1,528.50	0.00	695.80	50,470.50
0.00	1,023.74	66.76	0.00	16.67	0.00
0.00	3,316.52	1,283.01	63.16	549.09	0.00
7,690.56	29,800.22	9,355.05	288.50	1,847.99	1,140.00
12,359.42	18,979.16	5,503.10	900.70	1,453.97	0.00
0.00	8.50	4.83	0.00	0.00	0.00
7,500.00	2,275.50	749.67	104.00	399.05	0.00
0.00	93.70	193.21	0.00	18.66	0.00
0.00	0.00	0.00	0.00	0.00	0.00
14,595.46	38,847.25	9,452.93	575.01	2,844.00	0.00
0.00	848.95	377.67	5.72	146.01	0.00
7,500.00	101,540.93	24,101.96	0.00	3,275.75	4,331.59
17,894.75	29,583.89	10,889.74	131.81	2,824.94	0.00
7,500.00	17,061.23	5,086.31	42.41	1,573.52	0.00
7,500.00	962.38	445.10	0.00	167.22	0.00
7,993.15	17,556.50	35,867.50	69.95	5,010.74	0.00
0.00	32,481.22	5,662.37	48.25	138.97	0.00
7,500.00	2,524.44	3,220.19	140.12	431.74	0.00
0.00	1,539.40	677.94	0.00	271.81	0.00
0.00	0.00	0.00	0.00	0.00	0.00
0.00	5,471.81	1,990.07	101.60	214.88	0.00
0.00	101.88	149.63	0.00	11.97	0.00
(365,613.83)	43,697.58	161,272.74	1,862.55	6,372.69	187,054.46
7,500.00	16,114.42	6,021.14	0.00	2,513.51	6,646.75

LIQUIDATION DIVISION OF THE STATE BOARD OF INSURANCE
CASH RECEIPTS, DISBURSEMENTS & CASH BALANCES
RECEIVERSHIPS & CONSERVATORSHIPS
FOR THE YEAR ENDING AUGUST 31, 1987
(UNAUDITED)

NO.	NAME	TOTAL DISBURSED	DEMAND DEPOSITS 8/31/87	CERT. OF DEPOSIT SAVINGS CERT.	TOTAL CASH AVAILABLE
	RECEIVERSHIP				
190	OLD NATIONAL OF ALABAMA	15,811.72	$52,553.80	$253,790.90	306,344.70
191	ALABAMA NATIONAL LIFE	59,983.04	0.00	0.00	0.00
192-3	PIONEER CASUALTY CO				
	PIONEER GENERAL AGENCY	49,556.93	27,149.71	482,819.37	509,969.08
201	NATIONAL BANKERS LIFE	1,253.85	195.09	0.00	195.09
205	GREAT LIBERTY LIFE	234.46	5,462.18	0.00	5,462.18
206	FIRST FIRE & CASUALTY	496.81	5,198.57	0.00	5,198.57
209	EMPIRE LIFE	803,728.43	18,482.29	0.00	18,482.29
213	OLD NATIONAL OF TEXAS	19,175.96	4,599.90	43,000.00	47,599.90
226	WISCONSIN SURETY CORP	12,629.31	316.45	30,344.34	30,660.79
227	INTERSTATE INS CO	989.27	1,802.98	0.00	1,802.98
228	SUMMIT INS CO OF N. Y.	8.57	(0.00)	0.00	(0.00)
230	CARDINAL LIFE INS	560.29	4,817.09	0.00	4,817.09
231	MOBILE INS CO	332,100.25	101,336.30	3,007,418.31	3,108,754.61
232	MOBILE COUNTY MUTUAL	11,153.97	540,483.20	1,386,606.02	1,927,089.22
233	MCINGVALE ASSC GEN AGENCY	232,639.96	36,917.12	250,000.00	286,917.12
238	MANUFACTURERS & WHOLESALERS	3,652.57	1,673.85	0.00	1,673.85
244	OLD SECURITY LIFE INS	866.23	1,704.16	0.00	1,704.16
246	PHOENIX ASSURANCE AGENCY	0.00	13,756.61	0.00	13,756.61
247	PHOENIX FIDELITY LIFE	10,050.26	32,601.82	0.00	32,601.82
248	GENERAL PROTECTIVE LIFE	2,110.50	269,150.08	150,000.00	419,150.08
249	AMERICAN GUARANTY LIFE	5,869.25	30,963.88	0.00	30,963.88
251	FIRST AMERICAN SURETY	0.00	23.81	0.00	23.81
253	SOCIEDAD MUTUALISTA MEXICANA				
	MONTE DE LAS CRUCES	1,258.00	4,265.31	0.00	4,265.31
254	RESERVE INS CO	10,578.69	20,720.15	0.00	20,720.15
256	TX. PREPAID HEALTH PLAN, ET AL	1,232.57	19,621.92	50,000.00	69,621.92
257	MINISTERS BENEFIT TRUST	2,318.13	304.05	0.00	304.05
258	UNITED CAPITAL LIFE	60,691.22	40,310.19	100,000.00	140,310.19
259	UNION FIDELITY & GUARANTY CORP	8,212.21	25,626.65	0.00	25,626.65
260	FIRST UNITED LIFE	26,705.02	12,219.23	100,000.00	112,219.23
261	GROUP HEALTH OF EL PASO, INC	9,245.12	3,814.33	0.00	3,814.33
262	METROCARE, INC	(32.19)	10,821.86	0.00	10,821.86
263	PROPRIETORS' INC	56,806.51	33,330.21	0.00	33,330.21
266	METROPOLITAN TRUST CO	1,107.17	284.22	0.00	284.22
267	SECURITY CASUALTY CO	5,211.78	25,564.63	0.00	25,564.63
269	KENILWORTH INS CO	50,122.32	64,086.87	7,082.52	71,169.39
270	COTTON BELT INS CO	39,196.35	93,315.30	1,822.62	95,137.92
271	MALL INS AGENCY, INC	13.33	272.27	0.00	272.27
272	PREMIER NATIONAL LIFE	11,028.22	66,971.86	0.00	66,971.86
273	PREMIER GROUP SERVICES, INC	305.57	670.85	0.00	670.85
274	PREMIER NATIONAL AGENCY, INC	0.00	19.28	0 00	19.28
275	LLOYDS OF AMERICA	66,314.65	48,859.96	710,095.46	758,955.42
276	GRANITE STATE INS	1,378.35	6,679.35	16,000.00	22,679.35
277	UNITED BANKERS LIFE	140,750.23	236,885.38	710,000.00	946,885.38
278	EQUITABLE INS EXCHANGE, INC	61,325.13	52,665.97	0.00	52,665.97
279	SUPERIOR LLOYDS INS	31,263.47	27,939.02	172,000.00	199,939.02
280	AMERICAN MANAGERS, INC	9,074.70	28,889.46	100,000.00	128,889.46
281	ADCO FIRE & CASUALTY CO	66,497.84	265.58	200,493.15	200,758.73
282	COLONIAL TITLE CO	38,330.81	758.18	0.00	758.18
283	IOWA STATE TRAVELERS MUTUAL	13,816.49	34,005.72	0.00	34,005.72
284	FLORIDA GENERAL LIFE	2,489.15	270.03	0.00	270.03
285	ACTION INS AGENCY, ET AL	0.00	2,510.04	0.00	2,510.04
286	LIMESTON LIFE ASSOC	7,778.36	217.28	0.00	217.28
288	STEVE MILES INS AGENCY	263.48	126.05	0.00	126.05
289	INDEPENDENT BANKERS LIFE	400,260.02	366,551.74	337,463.03	704,014.77
290	OKLAHOMA INS LOGISTICS CO	38,795.82	449,920.33	0.00	449,920.33

LIQUIDATION DIVISION OF THE STATE BOARD OF INSURANCE
CASH RECEIPTS, DISBURSEMENTS & CASH BALANCES
RECEIVERSHIPS & CONSERVATORSHIPS
FOR THE YEAR ENDING AUGUST 31, 1987
(UNAUDITED)

NO.	NAME	DEMAND DEPOSITS 8/31/86	CASH RECEIPTS	TOTAL DEMAND DEPOSITS CASH RECEIPTS
	RECEIVERSHIP			
291	PACIFIC AMERICAN INS CO	410,527.68	97,799.98	508,327.66
292	EXCALIBUR INS CO	158,659.15	539,886.95	698,546.10
293	SURETY INS CO OF CALIFORNIA	163,073.81	221,899.98	384,973.79
294	INDEPENDENT STANDARD INS	23,851.12	140,616.12	164,467.24
295	ASPEN INDEMNITY CORP	3,588.59	929.50	4,518.09
296	AMERICAN REAL ESTATE ASSOC	11,807.57	140,143.13	151,950.70
297	SOUTHEAST INDEMNITY CO	108,620.23	82,924.42	191,544.65
298	UNIVERSITY LIFE INS CO	536.91	28,196.10	28,733.01
299	NAT'L INVESTORS LIFE INS	5,137.48	12,138.32	17,275.80
300	IDEAL MUTUAL INS CO	221,889.51	1,422,264.41	1,644,153.92
301	COMMERCIAL STANDARD INS CO	1,483,442.90	2,253,103.40	3,736,546.30
302	EARLY AMERICAN INS CO	163,588.17	1,733,734.90	1,897,323.07
303	EASTERN INDEMNITY CO OF MARYLAND	415,203.90	448,216.21	863,420.11
304	COLUMBUS INS CO	177,450.16	943,616.07	1,121,066.23
305	COMMONWEALTH MARINE & GEN ASSURANCE CO, LTD	5,961.36	(3,803.90)	2,157.46
306	AMERICAN INS GROUP, LTD	8,163.72	(4,930.61)	3,233.11
307	S & H INS CO	76,422.56	35,392.05	111,814.61
308	UNITED EMPLOYERS INS CO	208,474.01	190,676.12	399,150.13
309	CHRISTIAN ORGANIZATIONS MEDICAL SOCIETY, INC	66,264.97	122,636.57	188,901.54
310	GEORGE D. ALBRIGHT, ET AL	5,068.30	(1,290.91)	3,777.39
311	TEXAS REPUBLIC TITLE	65,322.43	51,697.60	117,020.03
312	UNION INDEMNITY INS CO OF NEW YORK	82,509.53	195,892.70	278,402.23
313	TRANSIT CASUALTY CO	790,989.09	8,835,479.66	9,626,468.75
314	IOWA NATIONAL MUTUAL INS CO	2,671.79	69,354.34	72,026.13
315	CONTINENTAL SERVICE LIFE & HEALTH	89,934.16	195,337.79	285,271.95
317	CARRIERS INS CO	59,791.10	2,499,198.11	2,558,989.21
318	AMERICAN FIDELITY FIRE INS CO	21,907.69	212,252.93	234,160.62
319	TEXAS FIDELITY LIFE INS CO	505,041.29	1,359,042.14	1,864,083.43
320	THE GREAT GLOBAL ASSURANCE CO	8,712.26	1,634,019.30	1,642,731.56
321	TEXAS FIRE & CASUALTY CO	840,060.80	7,958,275.85	8,798,336.65
322	MIDLAND INS CO	219,457.59	4,391,890.69	4,611,348.28
323	THE AMERICAN DRUGGISTS' INS CO	7,472.27	762,228.13	769,700.40
324	WESTERN PREFERRED CASUALTY CO	8,448.20	63,262.61	71,710.81
325	ALLIED FIDELITY INS CO	7,138.33	1,031,032.44	1,038,170.77
326	CALIFORNIA LIFE INS CO	0.00	2,805,982.34	2,805,982.34
327	CONTINENTAL BANKERS LIFE INS CO OF THE SOUTH	0.00	5,314,908.91	5,314,908.91
328	NATIONAL ALLIED INSURANCE CO	0.00	5,233,797.91	5,233,797.91
329	DEXTER LLOYDS INSURANCE CO	0.00	1,844,686.34	1,844,686.34
330	SIGNAL INSURANCE LLOYDS CO	0.00	300,534.33	300,534.33
331	MISSION INSURANCE CO	0.00	937,244.83	937,244.83
332	MISSION NATIONAL INS CO	0.00	1,729,300.33	1,729,300.33
333	MISSION REINSURANCE CORP	0.00	1,858.18	1,858.18
334	ENTERPRISE INSURANCE CORP	0.00	221,693.77	221,693.77
335	HERMITAGE HEALTH & LIFE INS CO	0.00	190,354.44	190,354.44
336	KEYSTONE LIFE INSURANCE CO	0.00	13,206,168.85	13,206,168.85
337	PREFERRED EMPLOYERS INSURANCE CO	0.00	3,153,406.91	3,153,406.91
338	EDWARD PATTERSON CUDE, ET AL	0.00	451,795.12	451,795.12
339	CONSTELLATION REINS CO	0.00	0.00	0.00
340	EAGLE LIFE INSURANCE CO	0.00	648,310.27	648,310.27
341	TEXAS RETAILERS ASSOCIATION	0.00	18,868.91	18,868.91
342	NORTH AMERICAN INSURANCE CO	0.00	200,150.73	200,150.73
343	INTEGRITY INSURANCE CO	0.00	163,896.00	163,896.00
344	NORMAN COHART, ET AL	0.00	0.00	0.00
345	RUTH MILLS BURFORD, ET AL	0.00	60,260.96	60,260.96
	TOTAL RECEIVERSHIPS	$8,189,242.20	$76,285,891.61	$84,475,133.81

NET REDEMPTION (ACQUISITION) OF INVESTMENTS	SALARIES PROFESSIONAL FEES	UTILITIES & OTHER DISBURSEMENTS	TRAVEL & AUTO EXPENSE	INS. BONDS INTEREST TAXES	DIVIDENDS & CLAIMS PAID	
0.00	39,955.71	14,818.30	28.13	5,135.62	102,494.32	
(57,500.00)	21,853.45	7,589.19	0.00	3,063.11	342,234.74	
(25,000.00)	38,347.98	20,716.08	1,202.82	2,763.86	0.00	
10,742.97	7,699.20	3,435.77	63.99	1,311.80	50,116.51	
802.29	989.65	2,358.15	0.00	172.39	0.00	
86,601.71	57,310.87	5,481.83	39.92	1,832.73	0.00	
(167,907.86)	36,300.25	18,334.78	439.99	3,346.34	251,699.36	
7,500.00	5,076.97	1,971.22	96.04	832.17	0.00	
0.00	9,791.78	4,081.17	2.89	1,715.07	0.00	
266.82	83,734.25	28,146.07	691.24	7,484.87	787,636.36	
862,528.38	288,246.39	1,304,550.95	15,544.77	31,134.48	184,389.92	
7,500.00	140,839.04	26,703.21	370.53	3,735.50	956,882.26	
(585,164.56)	187,989.41	381,193.85	2,922.32	19,482.50	168,213.87	
(72,500.00)	30,616.21	8,384.60	209.36	2,150.87	428,698.92	
0.00	404.99	1,446.30	0.00	70.38	0.00	
0.00	697.09	390.57	0.00	122.92	0.00	
11,531.51	4,682.13	1,654.73	9.41	549.47	500.00	
7,500.00	12,554.66	16,472.34	275.83	1,344.52	154,494.60	
73,496.43	23,156.86	88,379.37	212.20	2,791.33	0.00	
0.00	1,286.16	2,122.44	12.69	130.31	0.00	
0.00	11,791.83	104,095.44	449.70	430.33	0.00	
0.00	14,571.72	2,591.56	12.72	1,063.35	64,252.00	
7,500.00	211,942.74	120,391.74	1,338.75	19,539.94	6,168,006.56	
63,148.02	3,034.07	2,910.59	27.37	510.45	1,016.51	
0.00	13,564.61	9,277.24	106.88	1,539.31	104,399.87	
7,500.00	44,969.31	13,593.31	106.00	3,581.37	1,511,451.13	
7,500.00	15,262.00	7,015.27	507.92	2,048.65	47,490.49	
(278,032.67)	81,757.09	74,459.71	107.83	13,645.56	1,737,109.01	
7,500.00	45,794.74	52,502.74	2,777.96	6,043.96	1,091,661.19	
4,231,381.80	844,099.31	2,238,728.43	53,719.37	32,692.95	0.00	
0.00	47,930.07	119,921.74	449.56	4,469.73	3,137,618.40	
0.00	15,288.71	6,931.05	401.97	2,332.55	131,991.58	
7,500.00	4,158.45	2,935.02	17.00	739.19	10,000.00	
94,739.99	42,524.18	27,136.78	805.88	6,649.25	212,135.18	
7,500.00	43,863.68	73,348.84	762.08	5,148.58	2,473,025.78	
30,220.50	158,077.74	154,847.04	8,843.81	17,681.60	4,568,632.24	
2,209,287.52	190,871.48	119,457.97	10,257.49	28,974.27	1,402,915.69	
857,500.00	163,120.58	50,223.47	21,257.87	14,257.55	295,902.11	
103,600.98	29,106.84	14,855.69	31.76	2,900.74	0.00	
183,461.60	81,930.17	25,801.35	17,541.26	6,835.95	27,627.92	
115,791.87	42,482.00	14,248.03	8,611.25	4,464.87	109,515.64	
0.00	739.00	451.12	170.73	133.82	0.00	
139,135.25	18,916.90	7,313.10	6,986.89	2,778.82	3,780.00	
0.00	20,129.52	9,214.40	490.04	3,244.32	78,097.39	
507,500.00	201,158.85	1,614,305.31	15,689.37	19,378.89	7,495,216.55	
297,500.00	72,406.33	77,219.95	10,867.12	12,579.66	936,283.18	
0.00	8,298.24	5,617.89	3,970.66	584.02	0.00	
0.00	0.00	0.00	0.00	0.00	0.00	
232,500.00	105,499.34	128,924.39	10,314.75	7,564.16	0.00	
0.00	214.16	85.25	96.24	38.25	0.00	
0.00	4,057.08	35,232.12	3,275.22	442.59	0.00	
0.00	0.00	0.00	617.06	0.00	0.00	
0.00	0.00	0.00	0.00	0.00	0.00	
0.00	1,440.00	12.50	9.00	0.00	0.00	
($2,837,654.45)						
$10,587,434.10	$4,032,039.35	$8,565,412.89	$207,545.40	$353,609.20	$35,290,518.44	$5

LIQUIDATION DIVISION OF THE STATE BOARD OF INSURANCE
CASH RECEIPTS, DISBURSEMENTS & CASH BALANCES
RECEIVERSHIPS & CONSERVATORSHIPS
FOR THE YEAR ENDING AUGUST 31, 1987
(UNAUDITED)

NO.	NAME	TOTAL DISBURSED	DEMAND DEPOSITS 8/31/87	CERT. OF DEPOSIT SAVINGS CERT.	TOTAL CASH AVAILABLE
	RECEIVERSHIP				
291	PACIFIC AMERICAN INS CO	162,432.08	345,895.58	0.00	345,895.58
292	EXCALIBUR INS CO	374,740.49	381,305.61	0.00	381,305.61
293	SURETY INS CO OF CALIFORNIA	63,030.74	346,943.05	0.00	346,943.05
294	INDEPENDENT STANDARD INS	73,370.24	91,097.00	0.00	91,097.00
295	ASPEN INDEMNITY CORP	4,322.48	195.61	0.00	195.61
296	AMERICAN REAL ESTATE ASSOC	151,267.06	683.64	0.00	683.64
297	SOUTHEAST INDEMNITY CO	310,120.72	49,331.79	524,592.14	573,923.93
298	UNIVERSITY LIFE INS CO	15,476.40	13,256.61	0.00	13,256.61
299	NAT'L INVESTORS LIFE INS	15,590.91	1,684.89	0.00	1,684.89
300	IDEAL MUTUAL INS CO	907,959.61	736,194.31	0.00	736,194.31
301	COMMERCIAL STANDARD INS CO	2,686,394.89	1,050,151.41	2,724,573.48	3,774,724.89
302	EARLY AMERICAN INS CO	1,136,030.54	761,292.53	0.00	761,292.53
303	EASTERN INDEMNITY CO OF MARYLAND	759,801.95	688,782.72	0.00	688,782.72
304	COLUMBUS INS CO	470,059.96	723,506.27	100,000.00	823,506.27
305	COMMENWEALTH MARINE & GEN ASSURANCE CO, LTD	1,921.67	235.79	0.00	0.00 235.79
306	AMERICAN INS GROUP, LTD	1,210.58	2,022.53	0.00	2,022.53
307	S & H INS CO	18,927.25	92,887.36	0.00	92,887.36
308	UNITED EMPLOYERS INS CO	192,641.95	206,508.18	0.00	206,508.18
309	CHRISTIAN ORGANIZATIONS MEDICAL SOCIETY, INC	188,036.19	865.35	0.00	0.00 865.35
310	GEORGE D. ALBRIGHT, ET AL	3,551.60	225.79	0.00	225.79
311	TEXAS REPUBLIC TITLE	116,767.30	252.73	0.00	252.73
312	UNION INDEMNITY INS CO OF N.Y.	82,491.35	195,910.88	0.00	195,910.88
313	TRANSIT CASUALTY CO	6,528,719.73	3,097,749.02	0.00	3,097,749.02
314	IOWA NATIONAL MUTUAL INS CO	70,647.01	1,379.12	63,148.02	64,527.14
315	CONTINENTAL SVC. LIFE & HEALTH	128,887.91	156,384.04	0.00	156,384.04
317	CARRIERS INS CO	1,581,201.12	977,788.09	0.00	977,788.09
318	AMERICAN FIDELITY FIRE INS CO	79,824.33	154,336.29	0.00	154,336.29
319	TEXAS FIDELITY LIFE INS CO	1,907,079.20	235,036.90	0.00	235,036.90
320	THE GREAT GLOBAL ASSURANCE CO	1,206,280.59	436,450.97	0.00	436,450.97
321	TEXAS FIRE & CASUALTY CO	7,400,621.86	1,397,714.79	5,379,074.21	6,776,789.00
322	MIDLAND INS CO	3,310,389.50	1,300,958.78	0.00	1,300,958.78
323	AMERICAN DRUGGISTS' INS CO	156,945.86	612,754.54	0.00	612,754.54
324	WESTERN PREFERRED CASUALTY CO	25,349.66	46,361.15	0.00	46,361.15
325	ALLIED FIDELITY INS CO	383,991.26	654,179.51	0.00	654,179.51
326	CALIFORNIA LIFE INS CO	2,603,648.96	202,333.38	0.00	202,333.38
327	CONTINENTAL BANKERS LIFE INS CO OF THE SOUTH	4,938,302.93	376,605.98	0.00	0.00 376,605.98
328	NATIONAL ALLIED INS. CO	3,961,764.42	1,272,033.49	2,060,226.07	3,332,259.56
329	DEXTER LLOYDS INSURANCE CO	1,402,261.58	442,424.76	550,000.00	992,424.76
330	SIGNAL INSURANCE LLOYDS CO	150,496.01	150,038.32	103,600.98	253,639.30
331	MISSION INSURANCE CO	343,193.25	594,046.58	0.00	594,046.58
332	MISSION NATIONAL INS CO	295,113.66	1,434,186.67	0.00	1,434,186.67
333	MISSION REINSURANCE CORP	1,494.67	363.51	0.00	363.51
334	ENTERPRISE INSURANCE GROUP	178,910.96	42,782.81	0.00	42,782.81
335	HERMITAGE HEALTH & LIFE INS CO	111,175.67	79,178.77	0.00	79,178.77
336	KEYSTONE LIFE INSURANCE CO	9,853,248.97	3,352,919.88	500,000.00	3,852,919.88
337	PREFERRED EMPLOYERS INS CO	1,406,856.24	1,746,550.67	290,000.00	2,036,550.67
338	EDWARD PATTERSON CUDE, ET AL	18,470.81	433,324.31	0.00	433,324.31
339	CONSTELLATION REINS CO	0.00	0.00	0.00	0.00
340	EAGLE LIFE INSURANCE CO	484,802.64	163,507.63	0.00	163,507.63
341	TEXAS RETAILERS ASSOCIATION	433.90	18,435.01	0.00	18,435.01
342	NORTH AMERICAN INSURANCE CO	43,007.01	157,143.72	0.00	157,143.72
343	INTEGRITY INSURANCE CO	617.06	163,278.94	0.00	163,278.94
344	NORMAN COWART, ET AL	0.00	0.00	0.00	0.00
345	RUTH MILLS BURFORD, ET AL	1,461.50	58,799.46	0.00	58,799.46
	TOTAL RECEIVERSHIPS	$59,036,559.38	$28,276,228.88	$20,404,150.62	$48,680,379.50

LIQUIDATION DIVISION OF THE STATE BOARD OF INSURANCE
CASH RECEIPTS, DISBURSEMENTS & CASH BALANCES
RECEIVERSHIPS & CONSERVATORSHIPS
FOR THE YEAR ENDING AUGUST 31, 1987
(UNAUDITED)

NO.	NAME	DEMAND DEPOSITS 8/31/86	CASH RECEIPTS	TOTAL DEMAND DEPOSITS CASH RECEIPTS
	RECEIVERSHIP			
	CONSERVATORSHIPS			
C-268	TRUE PEOPLE OF AMERICA FRATERNAL BENEFIT SOCIETY	$524.24	$12,052.04	12,576.28
C-270	FIRST HOUSTON TITLE, INC	3,190.47	169,482.84	172,673.31
	TOTAL CONSERVATORSHIPS	$3,714.71	$181,534.88	$185,249.59

FOOTNOTE:

Fund contributions by the Texas Property Casualty Insurance Guaranty Association and the Texas Life, Accident, Health, and Hospital Service Insurance Guaranty Association are reflected as receipts in individual receivership estates. Refer to Exhibit "G" and "H" for contributions.

$1,674,872.50 of Utilities and other Disbursements are restricted funds. These funds were receipted then restricted thus reducing total cash available.

GENERAL NOTES:

R-191 - Alabama National Life Ins Co was closed on April 17, 1987.

R-228 - Summit Insurance Co of New York was closed on June 26, 1986.

R-339 - Constellation Reinsurance Co - Temporary restraining order expired May 14, 1987.

NET REDEMPTION (ACQUISITION) OF INVESTMENTS	SALARIES PROFESSIONAL FEES	UTILITIES & OTHER DISBURSEMENTS	TRAVEL & AUTO EXPENSE	INS. BONDS INTEREST TAXES	DIVIDENDS & CLAIMS PAID
$0.00	$9,853.25	$753.82	$0.00	$1,590.69	$0.00
0.00	12,346.15	2,634.25	2,603.23	1,126.08	0.00
$0.00	$22,199.40	$3,388.07	$2,603.23	$2,716.77	$0.00

LIQUIDATION DIVISION OF THE STATE BOARD OF INSURANCE
CASH RECEIPTS, DISBURSEMENTS & CASH BALANCES
RECEIVERSHIPS & CONSERVATORSHIPS
FOR THE YEAR ENDING AUGUST 31, 1987
(UNAUDITED)

NO.	NAME	TOTAL DISBURSED	DEMAND DEPOSITS 8/31/87	CERT. OF DEPOSIT SAVINGS CERT.	TOTAL CASH AVAILABLE
RECEIVERSHIPS					
C-268	TRUE PEOPLE OF AMERICA FRATERNAL BENEFIT SOCIETY	$12,197.76	$378.52	$0.00	$378.52
C-270	FIRST HOUSTON TITLE, INC	18,709.71	153,963.60	0.00	$153,963.60
		$30,907.47	$154,342.12	$0.00	$154,342.12

Summary of Information from Annual Statements

Figure 50. Grand Total - Texas Premium Summary: 1985 - 1986

	As of December 31, 1985	As of December 31, 1986
Total Property & Casualty	$11,959,576,463	$13,706,202,375
Total Life & Annuity	4,943,707,607	6,278,950,502
Total Accident & Health	4,310,812,682	4,751,561,152
Health Maintenance Organizations	576,199,993	821,683,538
Non-Profit Legal Services Corporations	375,690	621,267
TOTAL	$21,790,672,435	$25,559,018,834

Figure 51. Texas Premium Summary: Property and Casualty: 1985 - 1986

	As of December 31, 1985	As of December 31, 1986
Rate Regulated*		
Automobile	$ 3,790,158,297	$ 4,130,548,957
Workers' Compensation	1,723,688,588	2,212,437,604
Fire & Allied Lines	2,522,261,659	2,753,457,132
Liability	1,608,868,911	2,013,174,847
Title	483,869,735	408,172,560
Other	432,012,374	448,757,753
Non Rate Regulated		
Farm Mutual Companies	73,681,691	83,848,903
County Mutual Companies**	824,526,731	922,687,682
Unauthorized & Surplus Lines	500,508,477	733,116,937
TOTAL	$11,959,576,463	$13,706,202,375

* *Includes Lloyd's companies which are not rate regulated as to Fire and Allied Lines*

** *Primarily automobile, including mobile homes*

Figure 52. Texas Premium Summary: Life, Accident & Health and Annuity: 1985 -- 1986

	As of December 31, 1985	As of December 31, 1986
LIFE & ANNUITY--LEGAL RESERVE		
Ordinary Life	$ 2,905,526,129	$ 3,143,350,005
Group	599,379,699	644,285,525
Industrial	58,727,642	36,754,133
Credit	219,513,914	198,913,342
Annuity	1,134,545,472	2,223,424,908
LIFE & ANNUITY -- OTHER THAN LEGAL RESERVE		
Life	25,464,883	32,185,184
Annuity	549,868	37,405
ACCIDENT & HEALTH -- LEGAL RESERVE		
Group	2,822,866,519	3,119,469,729
Individual	724,212,299	755,676,741
Credit	138,786,299	103,608,543
ACCIDENT & HEALTH -- OTHER THAN LEGAL RESERVE*		
Group	652,861,184	667,878,441
Individual	110,872,680	104,927,698
TOTAL	$ 9,254,520,289	$11,030,511,654

** Excludes premiums reported by Exempt Associations.*

Figure 53. Summary of Information from Annual Statements - Legal Reserves Lie Insurance Companies: For Calendar Year 1986 (All Companies Combined)

	DOMESTIC COMPANIES	FOREIGN COMPANIES
Net Premium Income		
Life Insurance.	$ 3,793,401,896	$ 92,567,802,477
Accident & Health	1,974,966,263	42,701,508,182
Admitted Assets.	29,126,345,983	920,094,587,857
Liabilities, Excluding Capital	25,732,141,140	866,372,348,404
Paid Up Capital.	232,994,261	2,013,258,262
Surplus (Excluding Paid Up Capital).	3,161,210,582	51,708,981,191
Net Gain from Operations . . .	529,195,387	5,477,595,296

Figure 54. Summary of Information From Annual Statements - Legal Reserve Life Insurance Companies: For Calendar Year 1986 (Texas Business Only)

TEXAS COMPANIES

	ORDINARY	GROUP	INDUSTRIAL	CREDIT LIFE
Life Premiums	$652,612,392	$104,977,192	$ 7,564,562	$126,170,619
Annuity Considerations	411,900,333	21,115,544	-0-	-0-
Annuity & other Fund Deposits	15,864,980	95,389,969	-0-	-0-
Life Policy Dividends	11,482,828	5,983	-0-	-0-
Claims & Benefits	587,566,061	353,971,086	10,218,572	38,497,211

	PREMIUMS WRITTEN	LOSSES PAID	DIVIDEND PAID
Accident & Health			
Group	$1,087,207,194	$ 975,881,854	$ 16,785
Individual	228,313,738	114,616,856	3,478
Credit	52,500,715	29,124,234	29,550

FOREIGN COMPANIES

	ORDINARY	GROUP	INDUSTRIAL	CREDIT LIFE
Life Premiums	$2,380,921,135	$ 539,308,333	$29,189,571	$ 72,742,723
Annuity Considerations	619,803,038	1,170,605,993	-0-	-0-
Annuity & other Fund Deposits	454,380,563	464,316,613	-0-	-0-
Life Policy Dividends	404,269,263	27,038,799	2,117,610	1,510,441
Claims & Benefits	1,595,669,376	1,179,586,213	32,083,192	28,392,200

	PREMIUMS WRITTEN	LOSSES PAID	DIVIDEND PAID
Accident & Health			
Group	$2,032,262,535	$1,697,432,496	$16,467,506
Individual	527,363,003	262,084,607	7,294,403
Credit	51,167,828	24,228,804	1,211,786

Figure 55. Summary of Information from Annual Statements - Stipulated Premium Companies: for Calendar Year 1986 (All companies combined)

TEXAS BUSINESS ONLY

	ORDINARY	ANNUITY	INDIVIDUAL ACCIDENT & HEALTH
Premiums	$ 22,834,617	$ 37,405	$ 104,927,698
Claims and Benefits	10,155,671	-0-	50,324,267

Net Premium Income, Life Insurance	$ 22,686,069
Net Premium Income, Accident & Health Insurance	97,667,067
Admitted Assets	215,801,985
Liabilities	147,940,068
Capital Paid Up	4,867,127
Surplus (Excluding Capital Paid Up)	62,994,790
Net Gain from Operations	12,741,226

Figure 56. Summary of Information from Annual Statements - Filed by Fraternal Benefit Societies: for Calendar Year 1986 (All Societies Combined)

	TEXAS SOCIETIES	FOREIGN SOCIETIES
Net Received from Members	$ 29,117,494	$ 2,446,234,383
Total Benefits Paid (Before Allowance for Reinsurance)	6,348,648	487,763,955
Admitted Assets	205,038,051	15,984,225,521
Total Reserves	145,614,089	12,113,830,048
Certificate and Contract Claims Unpaid	1,077,156	71,788,761
Other Current Liabilities	11,523,554	2,026,775,555
Total Liabilities	157,137,643	14,140,605,604
Special Reserves and Unassigned Funds	47,900,408	1,843,619,917
Insurance in Force	1,044,869,712	110,965,428,160
TEXAS BUSINESS ONLY		
Number of Lodges	1,152	2,604
Life Certificates Issued During 1986		
Number	13,320	31,507
Amount	$ 276,311,276	$ 1,489,227,060
Life Certificates in Force December 31, 1986		
Number	273,368	311,040
Amount	$1,034,887,952	$ 5,445,136,476
Total Payments Received from Members During 1986		
Life	$ 25,345,483	$ 84,470,995
Accident and Health	3,860,809	7,191,897
Insurance Benefits Paid Members During 1986		
Life	$ 4,486,846	$ 15,240,822
Accident and Health	1,766,395	1,659,619

Figure 57. Summary of Information from Annual Statements - Statewide Mutual Assessment Companies: for Calendar Year 1986 (All Companies Combined)

Number of Members	48,749
Amount of Insurance In Force	$ 35,453,359
Ledger Assets - December 31, 1985	
Mortuary Fund	14,358,785
Expense Fund	2,764,009
Total Premium Income	
Mortuary Fund	652,522
Expense Fund	704,202
Total Other Income	
Mortuary Fund	1,595,343
Expense Fund	97,522
Claims Paid	
Mortuary Fund	1,119,017
Expense Fund	0
Other Expenditures	
Mortuary Fund	(7,061)
Expense Fund	923,546
Companies Retiring During 1986	
Mortuary Fund	0
Expense Fund	0
Ledger Assets - December 31, 1986	
Mortuary Fund	15,494,694
Expense Fund	2,642,187
Liabilities - December 31, 1986	
Mortuary Fund	7,180,717
Expense Fund	99,807
Mortuary Fund - December 31, 1986	
Net Admitted Assets	15,494,694
Aggregate Policy Reserves	6,983,938
Other Liabilities	196,779
Deficiency Reserves	0

Figure 58. **Summary of Information from Annual Statements - Local Mutual Aid Associations:** for Calendar Year 1986 (All Associations Combined)

Number of Members	127,451
Amount of Insurance in Force	$ 74,399,545
Ledger Assets - December 31, 1985	
Mortuary Fund	29,268,188
Expense Fund	630,891
Total Premium Income	
Mortuary Fund	1,255,665
Expense Fund	905,954
Total Other Income	
Mortuary Fund	2,307,009
Expense Fund	77,604
Claims Paid	
Mortuary Fund	1,379,548
Expense Fund	-0-
Other Expenditures	
Mortuary Fund	31,626
Expense Fund	989,597
Companies Retiring During 1986	
Mortuary Fund	2,527,019
Expense Fund	25,239
Ledger Assets - December 31, 1986	
Mortuary Fund	28,892,669
Expense Fund	599,613
Liabilities - December 31, 1986	
Mortuary Fund	13,662,671
Expense Fund	87,956
Mortuary Fund - December 31, 1986	
Net Admitted Assets	29,030,977
Aggregate Policy Reserves	13,467,817
Other Liabilities	194,854
Deficiency Reserves	-0-

Figure 59. Summary of Information from Annual Statements - Burial Associations: for Calendar Year 1986 (All Associations Combined)

Number of Members	22,105
Amount of Insurance in Force	$ 3,056,485
Ledger Assets - December 31, 1985	
Mortuary Fund	2,958,168
Expense Fund	27,539
Total Premium Income	
Mortuary Fund	40,466
Expense Fund	25,492
Total Other Income	
Mortuary Fund	221,444
Expense Fund	29
Claims Paid	
Mortuary Fund	57,761
Expense Fund	0
Other Expenditures	
Mortuary Fund	125
Expense Fund	26,549
Companies Retiring During 1986	
Mortuary Fund	448,950
Expense Fund	4,082
Ledger Assets - December 31, 1986	
Mortuary Fund	2,713,242
Expense Fund	22,429
Liabilities - December 31, 1986	
Mortuary Fund	778,726
Expense Fund	1,506
Mortuary Fund - December 1986	
Net Admitted Assets	2,730,968
Aggregate Policy Reserves	769,729
Other Liabilities	8,997
Deficiency Reserves	0

Figure 60. Summary of Information from Annual Statements - Exempt Associations: for Calendar Year 1986 (All Associations Combined)

Number of Members	23,616
Balance - December 31, 1985	$ 4,517,645
Total Receipts	5,977,132
Claims Paid	5,492,325
All Other Disbursements	414,923
Balance - December 31, 1986	4,587,529

NON-PROFIT GROUP HOSPITAL SERVICE

Ledger Assets, December 31, 1985	$ 157,923,756
Net Premium Income Collected	667,667,575
Total Other Income	13,720,882
Claims Paid	735,658,157
All Other Disbursements	94,734,920
Ledger Assets, December 31, 1986	174,065,919
Net Admitted Assets	304,692,643
Total Liabilities	197,950,246
Unassigned Policyholders' Funds	106,742,397
Net Gain from Operations	14,511,979

Figure 61. **Summary of Information from Annual Statements - Health Maintenance Organizations and Non-Profit Legal Services Corporations:** for Calendar Year 1986 (All Companies Combined)

HEALTH MAINTENANCE ORGANIZATIONS

Number of Enrollees	1,166,950
Direct Premiums Written	$ 821,683,538
Reinsurance Assumed	120,367
Reinsured Ceded	2,627,253
Net Premium Written	819,176,652
Claims Paid	665,814,079
Claims Unpaid	117,930,645
Net Admitted Assets	292,826,578
Total Liabilities	276,411,931
Capital	2,526,262
Total Surplus and Unassigned Funds	13,888,385

NON PROFIT LEGAL SERVICES CORPORATIONS

Number of Participants	5,499
Net Assessments in Force	$ 621,267
Net Assessments Written	
Mortuary Fund	434,889
Expense Fund	186,378
Net Claims Paid	-0-
Admitted Assets	
Claims Fund	11,235
Expense Fund	30,266
Total Liabilities	
Claims Fund	8,759
Expense Fund	(668)
Total Policyholders' Surplus	
Claims Fund	2,476
Expense Fund	30,934

Figure 62. Summary of Information from Annual Statements - Title Companies and County Mutual Fire Insurance Companies Combined for Calendar Year 1986

TITLE COMPANIES

	TEXAS COMPANIES	FOREIGN COMPANIES
Direct Premium Income	$ 232,352,567	$ 2,097,277,447
Losses Paid	10,916,676	122,790,408
Dividends Paid	8,023,860	117,674,678
Net Income	4,284,507	180,417,640
Admitted Assets	158,851,824	1,679,114,006
Liabilities, Except Capital	87,429,216	942,018,851
Capital Paid Up	9,450,000	203,518,321
Surplus	61,972,608	533,576,834
Texas Business during 1986		
Premiums	172,950,491	235,222,069
Losses Paid	7,564,206	9,437,263

COUNTY MUTUAL FIRE INSURANCE COMPANIES

Direct Premium Income	$ 922,687,681
Reinsurance Assumed	(260,681)
Reinsurance Ceded	835,422,113
Net Premium Income	87,004,887
Direct Losses Paid	488,542,597
Admitted Assets	132,737,203
Total Liabilities	94,861,921
Surplus	37,875,282
Total Unpaid Claims	13,451,478
Total Unearned Premiums	20,995,163
Net Premiums In Force	46,780,739
Net Income	2,490,720

Figure 63. **Summary of Information from Annual Statements - Stock Fire Insurance Companies: for Calendar Year 1986 (All Companies Combined)**

	TEXAS COMPANIES	FOREIGN COMPANIES
Direct Premium Income.	$ 9,777,057	$ 98,194,891
Reinsurance Assumed.	7,456,072	24,279,557
Reinsurance Ceded.	15,142,829	29,222,161
Net Premium Income	2,090,300	93,252,287
Losses Paid.	9,957,254	59,967,237
Stockholders' Dividend Paid. .	-0-	510,000
Admitted Assets.	4,123,147	116,314,860
Total Liabilities.	392,220	61,672,774
Capital Paid-Up.	1,406,058	6,800,400
Surplus, (Exclusive of Capital)	2,324,869	47,841,686
Treasury Stock	-0-	-0-
Total Unpaid Claims.	0-	25,856,307
Total Unearned Premiums. . . .	282,109	26,731,933
Net Premiums in Force.	229,425	52,251,984
Net Income	497,600	6,931,244
TEXAS BUSINESS ONLY		
FIRE AND ALLIED LINES		
Premiums.	$ 1,642,238	$ 328,718
Losses.	1,676,704	189,756
TOTALS		
Premiums.	$ 1,642,238	$ 328,718
Losses.	1,676,704	189,756

Figure 64. Summary of Information from Annual Statements - Stock Casualty Insurance Companies: for Calendar Year 1986 (All Companies Combined)

	TEXAS COMPANIES	FOREIGN COMPANIES
Direct Premium Income.	$ 15,099,586	$ 1,563,166,232
Reinsurance Assumed.	2,425,537	575,430,788
Reinsurance Ceded.	10,430,508	300,209,034
Net Premium Income	7,094,615	1,838,387,986
Losses Paid.	4,425,926	690,526,421
Stockholders' Dividend Paid. .	-0-	97,943,922
Admitted Assets.	17,612,485	6,540,554,925
Total Liabilities.	7,947,325	4,189,101,318
Capital Paid Up.	2,200,000	246,345,283
Surplus, (Exclusive of Capital)	7,465,160	2,107,117,724
Treasury Stock	-0-	2,009,400
Total Unpaid Claims.	3,258,461	1,707,599,541
Total Unearned Premiums. . . .	3,421,380	1,498,733,727
Net Premiums in Force.	4,703,016	2,131,973,696
Net Income	1,565,839	37,932,445
TEXAS BUSINESS ONLY		
Fire and Allied Lines		
Premiums.	$ -0-	$ 72,780
Losses.	-0-	-0-
Automobile		
Premiums.	-0-	6,285,090
Losses.	-0-	1,400,370
Workers' Compensation		
Premiums.	4,970,897	1,606,849
Losses.	3,433,149	3,149,495
Accident and Health		
Premiums.	-0-	4,625,071
Losses.	-0-	1,385,253
Aircraft Physical Damage		
Premiums.	-0-	4,717,108
Losses.	-0-	1,962,576
Credit Guaranty		
Premiums.	1,766	66,412,598
Losses.	-0-	83,975,199
Other Casualty Lines		
Premiums.	4,356,555	60,535,894
Losses.	582,140	25,439,341
Totals		
Premiums.	9,329,218	144,255,390
Losses.	4,015,289	117,312,234

Figure 65. Summary of Information from Annual Statements - Mutual Fire and Casualty Companies: for Calendar Year 1986 (All Companies Combined)

	TEXAS COMPANIES	FOREIGN COMPANIES
Direct Premium Income.	$ 514,535,193	$ 30,100,370,468
Reinsurance Assumed.	132,376,433	14,590,928,162
Reinsurance Ceded.	158,717,380	12,658,943,921
Net Premium Income	488,194,246	32,032,354,709
Losses Paid.	389,512,885	17,837,647,517
Stockholders' Dividend Paid. .	-0-	3,600,227
Admitted Assets.	865,400,839	66,711,116,643
Total Liabilities.	681,822,487	43,519,435,342
Surplus, (As regards to Policyholders).	183,578,352	23,191,681,301
Total Unpaid Claims.	507,616,924	25,141,372,417
Total Unearned Premiums. . . .	140,537,635	10,601,416,848
Net Premiums in Force.	228,003,121	22,608,745,779
Net Income	(33,347,284)	2,190,609,280
TEXAS BUSINESS ONLY		
Fire and Allied Lines		
Premiums.	$ 49,596,508	$ 103,510,647
Losses.	24,639,715	75,974,490
Ocean Marine		
Premiums.	-0-	10,717,309
Losses.	-0-	8,497,304
Automobile		
Premiums.	120,501,434	1,047,132,168
Losses.	89,402,213	659,839,101
Workers' Compensation		
Premiums.	310,256,796	306,007,062
Losses.	261,940,318	219,535,598
Accident and Health		
Premiums.	460,590	68,561,208
Losses.	243,000	57,647,995
Aircraft Physical Damage		
Premiums.	-0-	2,517,281
Losses.	-0-	1,570,239
Credit Guaranty		
Premiums.	-0-	262,378
Losses.	-0-	26,097
Other Casualty Lines		
Premiums.	21,709,331	116,243,903
Losses.	8,843,067	40,226,978
Totals		
Premiums.	502,524,659	1,654,951,956
Losses.	385,068,313	1,063,317,802

Figure 66. Summary of Information from Annual Statements - Stock Fire and Casualty Insurance Companies: for Calendar Year 1986 (All Companies Combined)

	TEXAS COMPANIES	FOREIGN COMPANIES
Direct Premium Income.	$ 2,718,733,355	$113,600,074,377
Reinsurance Assumed.	1,155,582,373	88,038,105,504
Reinsurance Ceded.	2,010,920,202	94,980,869,145
Net Premium Income	1,863,395,526	106,657,310,736
Losses Paid.	1,611,542,533	56,635,925,006
Stockholders' Dividend Paid .	96,579,459	2,695,131,292
Admitted Assets.	4,573,464,332	240,886,245,606
Total Liabilities.	2,700,715,163	179,953,279,869
Capital Paid Up.	110,146,958	2,413,171,410
Surplus, (Exclusive of Capital)	1,763,604,711	58,569,354,019
Treasury Stock	1,002,500	49,559,692
Total Unpaid Claims.	1,293,120,695	103,842,654,622
Total Unearned Premiums. . . .	690,695,794	42,027,049,575
Net Premiums in Force.	1,370,614,995	87,759,911,511
Net Income	284,983,380	8,220,834,235
TEXAS BUSINESS ONLY		
Fire and Allied Lines		
Premiums.	$ 324,600,081	$ 1,579,334,818
Losses.	183,021,012	954,732,713
Ocean Marine		
Premiums.	12,859,177	129,912,374
Losses.	12,508,619	88,674,340
Automobile		
Premiums.	665,750,263	2,080,625,805
Losses.	431,130,982	1,352,059,308
Workers' Compensation		
Premiums.	329,575,724	1,217,151,778
Losses.	251,001,653	1,081,870,340
Accident and Health		
Premiums.	8,169,316	104,301,397
Losses.	3,602,880	75,364,436
Aircraft Physical Damage		
Premiums.	5,007,532	89,803,842
Losses.	3,347,117	31,664,673
Credit Guaranty		
Premiums.	453,353	32,174,946
Losses.	975,662	53,986,448
Other Casualty Lines		
Premiums.	308,680,833	1,166,619,359
Losses.	124,157,778	629,037,094
Totals		
Premiums.	1,655,096,279	6,399,924,319
Losses.	1,009,745,703	4,267,389,352

Figure 67. Summary of Information from Annual Statements - Lloyds: for Calendar Year 1986 (All Lloyds Combined)

	TEXAS COMPANIES	FOREIGN COMPANIES
Direct Premium Income	$ 710,004,334	$ 25,238,517
Reinsurance Assumed	39,371,103	54,318
Reinsurance Ceded	673,822,160	21,736,327
Net Premium Income	75,553,277	3,556,508
Losses Paid	357,995,697	13,288,266
Dividends Paid Underwriters	1,082,477	-0-
Admitted Assets	229,590,853	9,613,892
Total Liabilities	126,479,015	4,555,106
Guaranty Funds	10,418,951	-0-
Surplus, Exclusive of Guaranty Fund	92,692,887	5,058,786
Total Unpaid Claims	28,276,146	2,060,302
Total Unearned Premiums	25,184,334	1,384,285
Net Premiums in Force	53,858,525	2,997,031
Net Income	5,181,601	295,324
TEXAS BUSINESS ONLY		
Fire and Allied Lines		
Premiums	$ 458,684,516	$ 2,458,162
Losses	257,304,177	915,938
Ocean Marine		
Premiums	-0-	-0-
Losses	-0-	-0-
Automobile		
Premiums	43,259,554	-0-
Losses	24,161,556	-0-
Workers' Compensation		
Premiums	17,525,538	-0-
Losses	9,990,183	-0-
Accident and Health		
Premiums	859,516	-0-
Losses	111,537	-0-
Aircraft Physical Damage		
Premiums	-0-	-0-
Losses	-0-	-0-
Credit Guaranty		
Premiums	813,036	-0-
Losses	36,468	-0-
Other Casualty Lines		
Premiums	166,366,259	-0-
Losses	53,043,999	-0-
Totals		
Premiums	687,508,419	2,458,162
Losses	344,647,920	915,938

Figure 68. Summary of Information from Annual Statements - Reciprocal Exchanges: for Calendar Year 1986 (All Exchanges Combined)

	TEXAS COMPANIES	FOREIGN COMPANIES
Direct Premium Income	$ 1,727,842,801	$ 3,301,766,811
Reinsurance Assumed	36,816,553	5,603,363,606
Reinsurance Ceded	79,912,154	3,925,166,569
Net Premium Income	1,684,747,200	4,979,963,848
Losses Paid	920,545,782	1,783,073,889
Admitted Assets	3,665,517,956	7,293,255,593
Total Liabilities	1,938,502,747	5,399,787,589
Surplus, as Regards to Policyholders	1,727,015,209	1,893,468,004
Total Unpaid Claims	966,465,460	2,921,835,632
Total Unearned Premiums	597,730,222	1,418,711,202
Net Premiums in Force	1,160,660,609	2,577,194,277
Net Income	182,469,377	145,384,776
TEXAS BUSINESS ONLY		
Fire and Allied Lines		
Premiums	$ 106,776,831	$ 126,451,833
Losses	55,564,940	82,454,382
Ocean Marine		
Premiums	915,220	-0-
Losses	546,591	-0-
Automobile		
Premiums	135,406,990	31,587,653
Losses	81,687,103	15,979,909
Workers' Compensation		
Premiums	6,436,555	18,906,405
Losses	4,269,773	12,973,249
Accident and Health		
Premiums	3,727,535	-0-
Losses	504,420	-0-
Aircraft Physical Damage		
Premiums	0-	1,603,277
Losses	0-	11,786
Credit Guaranty		
Premiums	-0-	-0-
Losses	0-	-0-
Other Casualty Lines		
Premiums	51,862,858	16,681,778
Losses	20,351,604	6,071,727
Totals		
Premiums	305,125,989	195,230,946
Losses	162,924,431	117,491,053

Figure 69. Summary of Information from Annual Statements - Farm Mutual Insurance Companies: for Calendar Year 1986 (All Companies Combined)

Ledger Assets December 31, 1985	$ 98,602,654
Premium Income	53,904,727
Other Income	11,346,675
Total Income	65,251,402
Losses Paid to Members	37,577,966
Other Disbursements	20,461,523
Total Disbursements	58,039,489
Ledger Assets December 31, 1986	105,814,567
Net Admitted Assets	107,758,209
Total Liabilities	39,145,402

SBI Financial Report

BELOW IS A LIST OF THE FOLLOWING EXHIBITS:

Exhibit I

Combined Balance Sheet - All Fund Types and Account Groups

August 31, 1987

(Unaudited)

See Pages 144 - 147

Exhibit II

Combined Statement of Revenues, Expenditures and Changes

In Fund Balances - All Governmental Funds and Expendable Trust Funds

Year Ended August 31, 1987

Unaudited

See Pages 148 - 153

Exhibit III

Comparison of Funds Budgeted to Funds Applied and Encumbered -

All Appropriated Activity

Year Ended August 31, 1987

(Unaudited)

See Pages 154 - 159

EXHIBIT I

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
Year Ended August 31, 1987
(UNAUDITED)

	Governmental Funds
	Special Revenue (Exh. A-1)
	$
ASSETS AND OTHER DEBITS	
Current Assets	
Cash on Hand	500.00
Cash in Banks	489,528.34
Cash in State Treasury	27,784,754.36
Certificates of Deposit	
Maintenance Taxes Receivable	1,084,566.23
Insurance Examination Fees Receivable	473,527.66
Less - Allowance for Doubtful Accts.	(138,076.67)
Receivables from Receiverships	352,344.55
Travel Advance Receivables	7,947.94
Accrued Interest Receivable	2,442.88
Interfund Receivables:	
Claims Clearing Account	500.00
Liquidator's Administrative Account	756.80
Miscellaneous Accounts Receivable	376.28
Consumable Inventories	109,306.33
Total Current Assets	30,168,474.70
Fixed Assets	
Furniture, Fixtures, Equipment and Library	--
Other Assets	
Judgements Receivable	4,748,619.87
Less - Allowance for Doubtful Accts.	(4,748,619.87)
Notes Receivable	134.56
Less - Allowance for Doubtful Accts.	(134.56)
Deposits with Others	10.00
Advances from Abandoned Property Fund to Receiverships	
Less - Allowance for Doubtful Accounts	
Total Other Assets	10.00
Other Debits	
Resources to be Provided in Future Years for Payment of Compensable Leave	
Resources to be Provided in Future Years for Payment of Capital Lease Contract	
Total Other Debits	--
Total Assets and Other Debits	30,168,484.70

Fiduciary Funds	Account Groups		Memorandum
Trust and Agency (Exh. B-1)	General Fixed Assets	General Long-Term Debt	Totals - August 31, 1987
$	$	$	$
			500.00
42,736.22			532,264.56
8,623,568.45			36,408,322.81
17,500.00			17,500.00
			1,084,566.23
			473,527.66
			(138,076.67)
			352,344.55
			7,947.94
188.58			2,631.46
			500.00
			756.80
			376.28
			109,306.33
8,683,993.25	--	--	38,852,467.95
--	10,046,521.04	--	10,046,521.04
			4,748,619.87
			(4,748,619.87)
			134.56
			(134.56)
			10.00
1,174,412.47			1,174,412.47
(1,174,412.47)			(1,174,412.47)
--	--	--	10.00
		1,531,890.16	1,531,890.16
		1,341,021.46	1,341,021.46
--	--	2,872,911.62	2,872,911.62
8,683,993.25	10,046,521.04	2,872,911.62	51,771,910.61

EXHIBIT I

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
Year Ended August 31, 1987
(UNAUDITED)

(Concluded)

	Governmental Funds
	Special Revenue (Exh. A-1)
	$
LIABILITIES AND FUND EQUITY	
Current Liabilities	
Accounts Payable	2,251,578.37
Unallocated and Undistributed Receipts Payable to Receiverships	650,000.00
Intrafund Payable to Attorney General Fd. 36	6,019.00
Interfund Payables:	
Liquidator's Administrative Account	500.00
General Expense Account	756.80
Total Current Liabilities	2,908,854.17
Long-Term Liabilities	
Compensable Leave Balances	
Capital Lease Contracts Payable not Funded by Current Resources:	
Principal	
Accrued Interest	
Total Long-Term Liabilities	--
Total Liabilities	2,908,854.17
Fund Equity	
Invested in General Fixed Assets	--
Fund Balances:	
Reserved for -	
Petty Cash Funds	500.00
Consumable Inventories	109,306.33
Travel Advance Fund	65,000.00
Encumbrances (Exh. III)	1,110,480.60
Unreserved -	
Undesignated	
Designated for Subsequent Year's Expenditures	25,974,343.60
Total Fund Balances (Exh. II)	27,259,630.53
Total Fund Equity	27,259,630.53
Total Liabilities and Fund Equity	30,168,484.70

The accompanying Notes to the Financial Statements are an integral part of this exhibit.

Fiduciary Funds	Account Groups		Memorandum
Trust and Agency (Exh. B-1)	General Fixed Assets	General Long-Term Debt	Totals - August 31, 1987
$	$	$	$
			2,251,578.37
8,623,568.45			8,623,568.45
			650,000.00
			6,019.00
			500.00
			756.80
8,623,568.45	--	--	11,532,422.62
		1,531,890.16	1,531,890.16
		1,253,291.08	1,253,291.08
		87,730.38	87,730.38
--	--	2,872,911.62	2,872,911.62
8,623,568.45	--	2,872,911.62	14,405,334.24
--	10,046,521.04	--	10,046,521.04
			500.00
			109,306.33
			65,000.00
			1,110,480.60
60,424.80			60,424.80
			25,974,343.60
60,424.80	--	--	27,320,055.33
60,424.80	10,046,521.04	--	37,366,576.37
8,683,993.25	10,046,521.04	2,872,911.62	51,771,910.61

EXHIBIT II

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUNDS AND EXPENDABLE TRUST FUNDS
Year Ended August 31, 1987
(UNAUDITED)

	Governmental Funds	Fiduciary Funds
	Special Revenue (Exh. A-2)	Expendable Trust (Exh. B-2)
	$	$
Revenues		
Maintenance Taxes	24,150,028.07	
Examination Fees	8,958,196.73	
Valuation Fees	2,045,309.60	
License and Exam Fees	6,932,895.19	
Special Fees	419,864.82	
Receivership Contributions for Expenditures	3,748,930.37	
Sale of Publications, Lists, and Subscriptions	256,847.33	
Reimbursement of Expenditures	171,317.57	
Interest Earned	27,048.64	2,241.06
Sale of Equipment	6,350.16	
Sale of Assets		1,500.00
Loans Receivable Payments		136,498.41
Miscellaneous Revenue	4,234.51	
Total Revenues	46,721,022.99	140,239.47
Expenditures		
Current Operating:		
Salaries and Wages	22,690,721.53	
Retirement Contributions and Related Costs	1,683,926.61	
Social Security Contributions - Regular	1,673,105.01	
Payment by State on Employees' Behalf	919,210.10	
Employee Insurance Contributions	904,270.97	
Retired Employee Insurance Contributions	133,228.35	
Workers' Compensation Benefits	9,007.78	
Unemployment Compensation Benefits	18,602.98	
Professional Fees and Services (Sch. 1)	61,281.31	
Office and Other Supplies	421,140.45	
Telephone and Telegraph	565,437.60	
Postage	444,438.98	
Travel	1,359,838.56	

Memorandum Totals - Year Ended August 31, 1987
$
24,150,028.07
8,958,196.73
2,045,309.60
6,932,895.19
419,864.82
3,748,930.37
256,847.33
171,317.57
29,289.70
6,350.16
1,500.00
136,498.41
4,234.51
46,861,262.46
22,690,721.53
1,683,926.61
1,673,105.01
919,210.10
904,270.97
133,228.35
9,007.78
18,602.98
61,281.31
421,140.45
565,437.60
444,438.98
1,359,838.56

EXHIBIT II

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUNDS AND EXPENDABLE TRUST FUNDS
Year Ended August 31, 1987
(UNAUDITED)

(Continued)

	Governmental Funds	Fiduciary Funds
	Special Revenue (Exh. A-2)	Expendable Trust (Exh. B-2)
	$	$
Expenditures (continued)		
Current Operating: (concluded)		
Building and Office Rentals	495,832.07	
Equipment and Miscellaneous Rentals	106,163.80	
Computer Software Rentals	97,824.02	
Computer Systems	5,211.96	
Computer Software Purchases	231,206.81	
Employee Relocation	3,207.70	
Employee Seminars and Training	70,659.58	
Membership Fees and Dues	51,060.00	
Printing and Reproduction Services	67,527.99	
Witness Fees	6,904.74	
Advertising	9,199.00	
Subscriptions and Publications	50,736.15	
Insurance and Bonds	20,321.50	
Court Costs	8,558.94	
Building Maintenance and Repair	72,775.65	
Equipment Maintenance and Repair	419,693.94	
Data Processing Services	26,279.22	
Freight and Delivery	14,777.70	
Photographic Services	5,729.88	
Contract Employment	542,030.40	
Claim Administration	120,066.24	
Legal Assistance from Attorney General	17,983.27	
Utilities	29,794.53	
Unallocated Direct Liquidation Charges	3,413.00	
Legal Expense	410.14	
Agent Commissions	100.11	
Bank Charges	352.48	
Appraisal	300.00	
Miscellaneous	3,416.89	
Total Current Operating Expenditures	33,365,747.94	--

Memorandum Totals - Year Ended August 31, 1987
$
495,832.07
106,163.80
97,824.02
5,211.96
231,206.81
3,207.70
70,659.58
51,060.00
67,527.99
6,904.74
9,199.00
50,736.15
20,321.50
8,558.94
72,775.65
419,693.94
26,279.22
14,777.70
5,729.88
542,030.40
120,066.24
17,983.27
29,794.53
3,413.00
410.14
100.11
352.48
300.00
3,416.89
33,365,747.94

EXHIBIT II

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUNDS AND EXPENDABLE TRUST FUNDS
Year Ended August 31, 1987
(UNAUDITED)

(Concluded)

	Governmental Funds	Fiduciary Funds
	Special Revenue (Exh. A-2)	Expendable Trust (Exh. B-2)
	$	$
Expenditures (concluded)		
Capital Outlay and Debt Service:		
Purchases of Fixed Assets	1,356,428.06	
Debt Service - Interest on Capital Leases	87,730.38	
Total Capital Outlay and Debt Service	1,444,158.44	--
Total Expenditures (Exh. III)	34,809,906.38	--
Excess of Revenues over Expenditures	11,911,116.61	140,239.47
Other Financing Sources (Uses)		
Intrafund Transfer to Attorney General, Fd. 36:		
Current Year Funds	(67,616.54)	
Correction of Prior Year Funds	255,949.05	
Interfund Transfers to:		
Attorney General, Fd. 001	(200,000.00)	
Comptroller, Fd. 001	(7,057,868.00)	
SPGSC, Fd. 001	(589,569.00)	
Interfund Transfers In from Expendable Trust Fund	262.66	
Liquidation of Liabilities for Expendiutres Previously Recorded	(693,185.00)	
Expenditures Not Requiring Current Resources	87,730.38	
Decrease in Consumable Inventories	(25,815.77)	
Advances to Receiverships		76,059.00)
Interfund Transfer to Special Revenue Fund		(262.66)
Receivables Written Off as Uncollectible		(307,535.76)
Total Other Financing Sources (Uses)	(8,290,112.22)	(583,857.42)
Excess (Deficit) of Revenues and Other Sources over Expenditures and Other Uses	3,621,004.39	(443,617.95)
Fund Balance - Beginning of Year	23,638,626.14	504,042.75
Fund Balance - End of Year (Exh. I)	27,259,630.53	60,424.80

The accompanying Notes to the Financial Statements are an integral part of this exhibit.

Memorandum Totals - Year Ended August 31, 1987
$
1,356,428.06
87,730.38
1,444,158.44
34,809,906.38
12,051,356.08
(67,616.54)
255,949.05
(200,000.00)
(7,057,868.00)
(589,569.00)
262.66
(693,185.00)
87,730.38
(25,815.77)
(276,059.00)
(262.66)
(307,535.76)
(8,873,969.64)
3,177,386.44
24,142,668.89
27,320,055.33

EXHIBIT III

COMPARISON OF FUNDS BUDGETED TO FUNDS APPLIED AND ENCUMBERED -
ALL APPROPRIATED ACTIVITY
Year Ended August 31, 1987
(UNAUDITED)

	Funds Budgeted	
	Legislative Appropriations and Balances	Additional Appropriations and Adjustments
	$	$
LEGISLATIVE APPROPRIATIONS		
Current Year:		
Board Members	184,500.00	
Other Board Administration	877,955.00	
Commissioner	59,100.00	
Commissioner's Administration	1,404,177.00	
Administrative Services	6,360,802.00	
Legal and Compliance	2,141,180.00	
Casualty Insurance Rating & Regulation	2,311,662.00	
Property Insurance Rating & Regulation	3,942,095.00	
Corporate and Financial Affairs	4,541,667.00	
Life Insurance Regulation	2,262,058.00	
State Fire Marshal	1,783,477.00	
Reprinting of Texas General Basis Schedule		
H.B. 1584, 69th Leg., R.S.*	109,324.00	
S.B. 1415, 69th Leg., R.S.	100,004.00	
S.B. 1367, 69th Leg., R.S.	46,332.00	
H.B. 1201, 69th Leg., R.S.	27,070.00	
Investment Income/Rate Development Study		
Additional Appropriations -		
Social Security -		
Regular		1,648,951.36
Paid by State on Behalf of Employees		909,629.54
Retirement Contributions and Related Costs		1,532,371.35
Employee Insurance Premiums		940,691.98
Workers Compensation Benefit		8,483.78
Unemployment Compensation Benefits		15,663.92
Transfer to General Revenue for Services		7,057,868.00
Building Maintenance - SPGSC		589,569.00
Transfer to Attorney General		267,616.54
Salary Increase Receiving Account		617,794.00
Total Current Year Appropriations	26,151,403.00	13,588,639.47
Prior Year Appropriations	3,495,599.03	(299,414.60)
Total Appropriations	29,647,002.03	13,289,224.87

Funds Budgeted			
Transfers Between Appropriations	Appropriated Revenues	Other Sources	Totals
$	$	$	$
5,535.00			190,035.00
18,770.00	201.81		896,926.81
1,773.00			60,873.00
274,915.00	159,864.78		1,838,956.78
(30,102.00)	268,232.04	87,730.38	6,686,662.42
(35,921.00)	51.03		2,105,310.03
93,522.00	98.22		2,405,282.22
5,883.00	6.44		3,947,984.44
71,215.00	0.40		4,612,882.40
453,820.00	22.74		2,715,900.74
40,184.00			1,823,661.00
68,000.00			68,000.00
(109,324.00)			--
(100,004.00)			--
(46,332.00)			--
(27,070.00)			--
37,372.68			37,372.68
			1,648,951.36
			909,629.54
			1,532,371.35
			940,691.98
			8,483.78
			15,663.92
			7,057,868.00
			589,569.00
			267,616.54
(617,794.00)			--
104,442.68	428,477.46	87,730.38	40,360,692.99
(104,442.68)	--	255,949.05	3,347,690.80
--	428,477.46	343,679.43	43,708,383.79

EXHIBIT III

COMPARISON OF FUNDS BUDGETED TO FUNDS APPLIED AND ENCUMBERED -
ALL APPROPRIATED ACTIVITY
Year Ended August 31, 1987
(UNAUDITED)

	Funds Applied and Encumbered	
	Expenditures	Other Uses
	$	$
LEGISLATIVE APPROPRIATIONS		
Current Year:		
Board Members	188,011.48	
Other Board Administration	824,669.06	
Commissioner	60,873.00	
Commissioner's Administration	1,603,594.92	
Administration	5,199,592.35	693,185.00
Legal and Compliance	2,046,830.96	
Casualty Insurance Rating & Regulation	2,351,401.39	
Property Insurance Rating & Regulation	3,871,488.40	
Corporate and Financial Affairs	4,547,907.14	
Life Insurance Regulation	2,637,419.76	
State Fire Marshal	1,751,016.64	
Reprinting of Texas General Basis Schedule		
H.B. 1584, 69th Leg., R.S.		
S.B. 1415, 69th Leg., R.S.		
S.B. 1367, 69th Leg., R.S.		
H.B. 1201, 69th Leg., R.S.		
Investment Income/Rate Development Study	27,607.13	
Additional Appropriations -		
Social Security -		
Regular	1,527,070.18	
Paid by State on Behalf of Employees	818,012.37	
Retirement Contributions & Related Costs	1,532,371.35	
Employee Insurance Premium	940,691.98	
Workers' Compensation Benefit	8,483.78	
Unemployment Compensation Benefits	15,663.92	
Transfer to Gen. Revenue for Services		7,057,868.00
Building Maintenance - SPGSC		589,569.00
Transfer to Attorney General		267,616.54
Salary Increase Receiving Account		
	29,952,705.81	8,608,238.54
	1,151,037.02	--
	31,103,742.83	8,608,238.54
	(Note A)	

Funds Applied and Encumbered

Encumbrances	Appropriations	Totals	Variance
$	$		
		188,011.48	2,023.52
25,681.73		850,350.79	46,576.02
		60,873.00	--
216,884.90		1,820,479.82	18,476.96
717,746.97		6,610,524.32	76,138.10
25,075.00		2,071,905.96	33,404.07
22,983.00		2,374,384.39	30,897.83
21,040.00		3,892,528.40	55,456.04
17,787.00		4,565,694.14	47,188.26
43,249.00		2,680,668.76	35,231.98
20,033.00		1,771,049.64	52,611.36
		--	68,000.00
		--	--
		--	--
		--	--
		--	--
		27,607.13	9,765.55
		1,527,070.18	121,881.18
		818,012.37	91,617.17
		1,532,371.35	--
		940,691.98	--
		8,483.78	--
		15,663.92	--
		7,057,868.00	--
		589,569.00	--
		267,616.54	--
		--	--
1,110,480.60	--	39,671,424.95	689,268.04
--	2,196,653.78	3,347,690.80	--
1,110,480.60	2,196,653.78	43,019,115.75	689,268.04
(Exh. I)			(Note B)

EXHIBIT III

COMPARISON OF FUNDS BUDGETED TO FUNDS APPLIED AND ENCUMBERED
ALL APPROPRIATED ACTIVITY
YEAR ENDED AUGUST 31, 1987
(UNAUDITED)

(CONCLUDED)

Note A: Reconciliation of Expenditures:

	$
Expenditures (EXH. II)	34,809,906.38
Less: Expenditures of Liquidation Division's Unappropriated Funds - Special Revenue Funds (EXH. A-2):	
Liquidator's Administrative Account	(23,142.81)
Payroll Account	(2,426,338.12)
General Expense Account	(1,256,682.62)
Expenditures (EXH. III)	31,103,742.83

Note B: Reconciliation of Variance:

	$
Variance (EXH. III):	689,268.04
Add:	
Encumbrances Included in Fund Balance	1,110,480.60
Unappropriated Fund Balance (Fund 36):	
Available for Subsequent Years	25,180,770.58
Unappropriated Fund Equity, Local Funds:	
Special Revenue (999)	104,304.98
Expendable Trust (999)	60,424.80
Investment in General Fixed Assets	10,046,521.04
Reserve for Petty Cash	500.00
Reserve for Inventories	109,306.33
Reserve for Travel Advance	65,000.00
Total Fund Equity Per Exhibit I, All Funds	37,366,576.37

The Notes to the Financial Statements are an integral part of this exhibit.

Notes To The Financial Statements

NOTE 1 - Significant Accounting Policies

The State Board of Insurance is provided for in Art. 1.02 - 1.09 of the Texas Insurance Code (Vernon 1981 and Supp. 1986). The history of the Board dates back to the Texas Constitution of 1876. Since then, the composition of the agency has changed several times. The latest change took place in 1957 when the Board of Insurance Commissioners was abolished and the State Board of Insurance was created. The primary responsibility of the Board is to regulate the insurance industry pursuant to provisions contained in the Texas Insurance Code.

A. Basis of Presentation

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as established by the Governmental Accounting Standards Board. The statements include those funds and account groups controlled by the State Board of Insurance.

B. Fund Structure

The financial statements are presented on the basis of funds and account groups, each of which is considered to be a separate accounting entity. Resources received are allocated to operations reported in an individual fund based upon the purpose for which they may be utilized. The funds and account groups used to reflect Board transactions are as follows:

Governmental Funds - Governmental Funds include the Special Revenue Funds, consisting of the Insurance Board Operating Fund, Liquidator's Administrative Account, Payroll Account, General Expense Account and Claims Clearing Account, which report the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Fiduciary Funds - Fiduciary Funds administered by the Board are composed of Expendable Trust and Agency Funds. Trust and Agency Funds account for assets held by the Board in a trustee capacity or as an agent for individuals, private organizations or other funds. Expendable Trust Funds, represented by the Trustee Account and Abandoned Property Fund, are accounted for in essentially the same manner as governmental funds. Agency Funds, represented by the Departmental Suspense Account and the U.S. Savings Bond Account, are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups - A General Fixed Asset Account Group and the General Long-Term Debt Account Group are maintained to account for the capital assets and the outstanding long-term debt of the State Board of Insurance, respectively. These self-balancing account groups are concerned only with the measurement of financial position and not with measurement of results of operations.

C. Basis of Accounting

Funds of the State Board of Insurance are accounted for on the modified accrual basis of accounting. In applying the modified accrual basis, revenues are recognized when they be-

come measurable and available and expenditures are recognized when the related liabilities are incurred. An exception to the general rule for expenditure recognition involves the expenditure for compensable absences of employees which is not recognized until events occur which make payment necessary.

D. Budgets and Budgetary Accounting

The budget is prepared on a modified accrual basis. Encumbrance accounting is utilized for budgetary control purposes. Encumbrances outstanding are reported as a reservation of fund balance available for subsequent year expenditures and represent the estimated cost of merchandise or services ordered but not received until after year-end. The unexpended and unencumbered balance of the Insurance Board Operating Fund at year-end will be available for future years' appropriations. The budget information for all the Board's appropriated funds is presented in Exhibit III, in a format that reflects budgetary comparisons by program as adopted by the Legislature. The Board does not prepare a formal budget for its Expendable Trust Funds.

E. Consumable Inventories

Consumable Inventories represent the cost of postage and consumable supplies on hand at fiscal year-end. The cost of these items is included as an expenditure at the time of purchase. Reported inventories at year-end are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of current assets.

F. Fixed Assets

Fixed assets are included with expenditures at the time of purchase and are reported at cost or estimated fair market value at acquisition date if acquired other than by purchase. No provision is made in the accounting records for depreciation or obsolescence, as replacements are financed from current operating funds.

Fixed assets belonging to the State Board of Insurance, including the Liquidation Activity are presented in the *General Fixed Assets Account Group*. The Liquidation Activity property is under the sole control of that Activity and is not included in the records maintained by the State Purchasing and General Services Commission. Changes in general fixed assets for the fiscal year ended August 31, 1987, are summarized below:

Figure 70. Changes in General Fixed Assets: for the Fiscal Year Ended August 31, 1987

	State Board of Insurance	Liquidation Activity	Totals
Balances-September 1, 1986	$8,604,342.37	$267,807.54	$8,872,149.91
Additions:			
Purchases	1,339,795.37	16,632.69	1,356,428.06
Trade-In Allowances	76,931.00		76,931.00
Transfer from other Agencies	18,951.90		18,951.90
Total Additions	1,435,678.27	16,632.69	1,452,310.96
Deductions:			
Items Sold or Traded In	126,960.90	3,423.00	130,383.90
Obsolete Items	833.51	1,900.07	2,733.58
Devaluation of Equipment		51,151.00	51,151.00
Items Stolen or Lost	2,241.25		2,241.25
Transfered to Other Agencies	91,430.10		91,430.10
Total Deductions	221,465.76	56,474.07	277,939.83
Net Increase (Decrease)	1,214,212.51	(39,841.38)	1,174,371.13
Balances - August 31, 1987	9,818,554.88	227,966.16	10,046,521.04

(Exh. I)

G. Accounts Payable

Accounts Payable represents the liability for the value of assets or services received at the balance sheet date for which payment is pending.

H. Reserved for Encumbrances

This represents commitments of the value of contracts awarded or assets ordered prior to year-end but not received as of that date. Encumbrances are not included with expenditures or liabilities. They represent current resources designated for specific expenditures in subsequent operating periods.

I. Unreserved-Designated for Subsequent Year's Expenditures

This represents the unappropriated balance at year end.

J. Total Columns on General Purpose Financial Statement

The total columns on the Combined Balance Sheet - All Fund and Account Groups and the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Funds and Expendable Trust Funds are captioned "Memorandum Totals" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not purport to present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE 2 - Compensable Leave Balances

Under the provisions of Tex. Rev. Civ. Stat. Ann. art. 6252-8b (Vernon Supp. 1985), a state employee is entitled to be paid for all unused vacation time accrued, in the event of the employee's resignation, dismissal or separation from state employment, provided the employee has had continuous employment with the State for six months. Under a General Appropriations Act Rider, now modified, in part, by the Supreme Court decision February 19, 1985, in *Garcia vs. San Antonio Transit*, the system must either grant regular full-time employees time and a half off for overtime worked or pay them at a rate of one and one-half times the regular rate of pay; however, executive administrative or professional employees are expressly limited to compensatory time as determined by the employer unit.

The expenditure for accumulated annual and compensatory leave is recorded in governmental funds in the period taken or paid. The liability for unpaid leave is recorded in the General Long-Term Debt Account Group with a corresponding account designated *"Resources to be Provided in Future Years."*

The following is a summary of changes in employees' annual and compensatory leave balances, which reflect employees' accrued rights to future compensated absences. Changes and balances are stated in terms of hours:

Figure 71. Changes in Employees' Annual and Compensatory Leave Balances

	Annual Leave	Compensatory Leave	FSLA Leave	Totals
Compensable Leave Hours - September 1, 1986	93,683.63	10,255.58	1,400.57	105,339.78
Leave Hours Earned	103,250.00	41,609.52	11,476.67	156,336.19
Leave Hours Compensated:				
By Time Off	(79,078.25)	(31,025.87)	(8,957.02)	(119,061.14)
By Monetary Payments	(12,257.05)		(480.25)	(12,737.30)
Leave Hours Lost or Cancelled	(1,398.00)	(1,428.32)	(.48)	(2,826.80)
Leave Hours Transfered:				
In	2,587.50			(2,587.50)
Out	(203.00)			(203.00)
Compensable Leave Hours - August 31, 1987	106,584.83	19,410.91	3,439.49	129,435.23

The Board's monetary liability for compensable future absences, computed by multiplying the ending balances by the year-end average hourly salary rate for all employees, was as follows:

Figure 72. The Board's Monetary Liability for Compensable Future Absences

Annual Leave	$1,244,910.81
Compensatory Time	226,719.43
FSLA Time	60,259.92
Total (Exh. I)	1,531,890.16

NOTE 3 - Indirect Cost Obligations

During the reporting period, expenditures totaling $16,988.56 for the year ended August 31, 1987 were incurred by the Employees Retirement System. This amount which is not included with expenditures reported herein, was paid in behalf of employees for group insurance premiums from the *Employee Life, Accident and Health Insurance Benefit Fund*.

NOTE 4 - Employees' Retirement Plan

The State Board of Insurance participates in a joint contributory retirement plan for its employees administered by the Employees Retirement System of Texas. The retirement expenditures attributable to the Board are limited to statutorily-defined state contributions at the rate of 7.4 percent of employees' salaries. Each employee also contributes 6 percent of salary each month, through payroll deductions. Retirement costs to the Board during the period covered by this report, as reflected in Exhibit H, were $1,683,926.61.

The Employees Retirement System of Texas does not separately account for each of its component governmental agencies, since the Retirement System itself bears sole responsibility for retirement commitments beyond contributions fixed by the State Legislature. According to an independent actuarial evaluation as of August 31, 1987, the present value of the Retirement System's actual and projected liabilities, including projected benefits payable to its retired and active members and their beneficiaries, was in excess of the assets of the Retirement System. However, the actuary projected that such assets, augmented by projected future contributions and earnings, would be sufficient to amortize the unfunded difference over a period of 18.8 years. Further information regarding actuarial assumptions and conclusions, together with audited financial statements, is included in the Retirement System's annual financial report.

NOTE 5 - Contingent Liabilities

Sick leave, the accumulation of which is unlimited , is earned at the rate of eight hours per month and is paid to the employee only in case of illness or to the employee's estate in the event of his/her death while employed by the Board. The maximum sick leave that may be paid an employee's estate is one-half of the employee's accumulated entitlement or 336 hours, whichever is less. The Board recognizes the cost of any sick leave when paid. No liability is recorded in the General Long-Term Debt Account Group since experience indicates the probability of a material effect on any given year's operation, as a result of death or abnormally high rate of illness, is minimal.

NOTE 6 - Litigation

At August 31, 1987, there were 316 companies which had paid maintenance and premium taxes under protest and/or filed suits with the State Board of Insurance. Total protested deposits amounted to $227,746,921.28, of which $226,798,797.70 were on deposit in the State's Unappropriated General Revenue Fund and $948,123.58 were on deposit in the Suspense Account. The outcome of this litigation is indeterminate.

NOTE 7 - Capital Lease Obligations

The Board has entered into long-term leases as lessee for financing the purchase of certain equipment utilized in the Insurance Board Operating Fund. Such leases are classified as capital leases for accounting purposes and therefore have been recorded at the present value of the future minimum lease payments at the date of inception of the lease. The following is a summary of original capitalized cost of all leased property under capital leases categorized by class of asset and account group, as of August 31, 1987:

Figure 73. Summary of Original Capitalized Cost of all Leased Property Under Capital Leases: as of August 31, 1987

	General Fixed Assets Account Group
CLASS OF ASSET	
Data Processing Equipment	$ 2,611,219.82
Total Leased Property under Capital Leases	2,611,219.82

Future minimum lease payments under these capital leases, together with the present value of net minimum lease payments at August 31, 1987, are as follows:

Figure 74. Future Minimum Lease Payments: as of August 31, 1987

	General Fixed Assets Account Group
Year Ending August 31,	
1988	$ 693,185.00
1989	693,185.00
Total Minimum Lease Payments	1,386,370.00
Less Amount Representing Interest, at 7%	(133,078.92)
Present Value of Net Minimum Lease Payments	1,253,291.08

NOTE 8 - Operating Lease Obligations

Included in the expenditures reported in the financial statements are the following amounts of rent paid or due under operating leases:

Special Revenue Fund	$456,781.08

Future minimum rental payments under noncancellable operating leases having an initial term in excess of one year are as follows:

Year Ending August 31,	
1988	$361,143.85
1989	187,162.89
1990	17,508.72
1991	14,297.73
1992	1,333.32
Total Future Minimum Rental Payments	581,446.51

NOTE 9 - Deferred Compensation

In accordance with Tex. Rev. Civ. Stat. Ann. Art. 6252-3b (Vernon Supp. 1985), the Board's employees are permitted to participate in the State's Deferred Compensation Program. At August 31, 1987, there were 66 Board employees participating in the program. A total of $273,901.27 in Fiscal Year 1987 was paid into various plans on their behalf. Since these amounts are placed in individually chosen investments, the State has no additional or unfunded liability for this program.

NOTE 10 - Continuance Subject To Review

On August 29, 1977, the Board became subject to the provisions of S.B. 54, 65th Leg., Reg. Sess. (1977) titled the "Texas Sunset Act." The Board's existence was continued by S.B. 928, 68th Leg., Reg. Sess. (1983) until September 1, 1995, at which time it will be terminated unless specifically continued by legislative action.

NOTE 11 - Securities On Deposit

Article 3.16 of the Insurance Code requires any life insurance company incorporated under the laws of the State to deposit with the Board either securities or cash "equal to the legal reserve" on the company's outstanding registered policies and annuity bonds. The balance of these deposits at August 31, 1987, was $226,663,078.62. Currently all deposits are under the supervision of the Board's Chief of Staff Services who maintains the securities in security deposit boxes and monitors all changes for legality. All additions or withdrawals in the deposits must be made at the insurance company's written request. Securities eligible for deposit include various types of bonds, certificates of deposit, certain types of stock, titles or deeds of property, and first lien notes on real estate or personal property. These amounts do not appear on the financial statements presented herein.

The Insurance Code requires insurance companies in various lines of insurance to have cash or eligible securities on deposit with an approved custodian as security for policy holders either under a Joint Control Agreement with the Board or maintained at the State Treasury. Life, Fire and Casualty and Mutual Assessment Companies are required to deposit eligible securities in the State Treasury after receiving approval from the Commissioner of Insurance. Any changes in monies and/or securities deposited must also be approved by the State Board of Insurance. Article 7.15 of the Texas Insurance Code required Surety and Trust Companies to have an approved deposit with the Board. Although repealed in 1957 by the 55th Legislature, deposits still must be maintained in those instances where a company has a possibility of outstanding claims or obligations. Lloyd's companies are required to deposit securities with an approved financial institution subject to joint control of attorney. Joint control of attorney requires that a joint control agreement be made between the company, the financial institution and the State Board of Insurance in which no change in deposits may be made without approval from all three parties. Eligible investments for deposits include various types of bonds, first lien notes on real estate or personal property, certificates of deposits and certain types of stock. The joint control deposits and the deposits maintained in the State Treasury are supervised by a State Board of Insurance employee. Following is the market value of the deposits as of August 31, 1987:

Figure 75. Market Value of the Deposits: as of August 31, 1987

Under Joint Control Agreement	$ 30,315,170.80
On Deposit in State Treasury	256,057,942.06
Total	286,373,112.86

Market values of all deposits are provided by the Company when securities are deposited under the supervision of the Board. When an examination is conducted by the Board's Examination Activity, values of securities at the date of the examination are reviewed by the examiners.

BELOW IS A LIST OF THE FOLLOWING EXHIBITS:

Exhibit A-1

Combining Balance Sheet - All Special Revenue Funds

Year Ended August 31, 1987

(Unaudited)

See Pages 170 - 173

Exhibit A-2

Combining Statement of Revenues, Expenditures and

Changes in Fund Balances - Special Revenue Funds

Year ended August 31, 1987

(Unaudited)

See Pages 174 - 179

Exhibit B-1

Combining Balance Sheet - All Fiduciary Funds

YearEnded August 31, 1987

(Unaudited)

See Page 181

Exhibit B-2

Combining Statement of Revenues, Expenditure

and Changes in Fund Balances - Expendable Trust Funds

Year Ended August 31, 1987

(Unaudited)

See Pages 182 - 183

Exhibit B-3

Combining Statement of Changes in Assets and Liabilities -

All Agency Funds

Year Ended August 31, 1987

(Unaudited)

See Page 185

Exhibit B-4

Summary of Cash Additions and Deductions -

All Agency Funds

Year Ended August 31, 1987

See Page 187

EXHIBIT A-1

COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS
August 31, 1987
(UNAUDITED)

	Insurance Board Operating Fund (Fund 036)	Liquidator's Administrative Account (Fund 999)
	$	$
ASSETS		
Current Assets		
Cash on Hand	500.00	
Cash in Banks	65,000.00	82,459.87
Cash in State Treasury	27,784,754.36	
Maintenance Taxes Receivable	1,084,566.23	
Insurance Examination Fees Receivable	473,527.66	
Less-Allowance for Doubtful Accounts	(138,076.67)	
Receivables from Receiverships		2,027.03
Travel Advance Receivables		7,947.94
Accrued Interest Receivable		291.46
Interfund Receivables:		
Claims Clearing Account		500.00
Liquidator's Administrative Account		
Miscellaneous Accounts Receivable	376.28	
Consumable Inventories	107,445.90	1,860.43
Total Current Assets	29,378,093.76	95,086.73
Other Assets		
Judgements Receivable		4,748,619.87
Less - Allowance for Doubtful Accounts		(4,748,619.87)
Notes Receivable		134.56
Less - Allowance for Doubtful Accounts		(134.56)
Deposits with Others		10.00
Total Other Assets	--	10.00
Total Assets	29,378,093.76	95,096.73

Payroll Account (Fund 999)	General Expense Account (Fund 999)	Claims Clearing Account (Fund 999)	Totals-August 31, 1986 (Exh. I)
$	$	$	$
			500.00
204,800.37	136,734.78	533.32	489,528.34
			27,784,754.36
			1,084,566.23
			473,527.66
			(138,076.67)
245,249.43	105,067.89		352,344.55
			7,947.94
1,434.08	715.63	1.71	2,442.88
			500.00
	756.80		756.80
			376.28
			109,306.33
451,484.08	243,275.10	535.03	30,168,474.70
			4,748,619.87
			(4,748,619.87)
			134.56
			(134.56)
			10.00
	--	--	10.00
451,484.08	243,275.10	535.03	30,168,484.70

EXHIBIT A-1

COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS
August 31, 1987
(UNAUDITED)

(Concluded)

	Insurance Board Operating Fund (Fund 036)	Liquidator's Adminis-trative Account (Fund 999)
	$	$
LIABILITIES AND FUND EQUITY		
Current Liabilities		
Accounts Payable	2,218,609.64	32,661.33
Payable to Receiverships		
Intrafund Payable to Attorney General, Fd. 36	6,019.00	
Interfund Payables:		
Liquidator's Administrative Account		
General Expense Account		756.80
Total Liabilities	2,224,628.64	33,418.13
Fund Equity		
Fund Balances:		
Reserved for -		
Petty Cash Funds	500.00	
Consumable Inventories	107,445.90	1,860.43
Travel Advance Fund	65,000.00	
Encumbrances	1,110,480.60	
Unreserved - Designated for Subsequent Year's Expenditures	25,870,038.62	59,818.17
Total Fund Equity (Exh. A-2)	27,153,465.12	61,678.60
Total Liabilities and Fund Equity	29,378,093.76	95,096.73

The Notes to the Financial Statements are an integral part of this exhibit.

Payroll Account (Fund 999)	General Expense Account (Fund 999)	Claims Clearing Account (Fund 999)	Totals- August 31, 1986 (Exh. I)
$	$	$	$
50.00	257.40		2,251,578.37
450,000.00	200,000.00		650,000.00
			6,019.00
		500.00	500.00
			756.80
450,050.00	200,257.40	500.00	2,908,854.17
			500.00
			109,306.33
			65,000.00
			1,110,480.60
1,434.08	43,017.70	35.03	25,974,343.60
1,434.08	43,017.70	35.03	27,259,630.53
451,484.08	243,275.10	535.03	30,168,484.70

EXHIBIT A-2

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - SPECIAL REVENUE FUNDS
Year Ended August 31, 1987
(UNAUDITED)

	Insurance Board Operating Fund (Fund 036)	Liquidator's Administrative Account (Fund 999)
	$	$
Revenues		
Maintenance Taxes	24,150,028.07	
Examination Fees	8,958,196.73	
Valuation Fees	2,045,309.60	
License and Exam Fees	6,932,895.19	
Special Fees	419,864.82	
Receivership Contributions for Expenditures		8,345.18
Sale of Publications, List and Subscriptions	256,847.33	
Reimbursement of Expenditures	171,196.75	
Interest Earned		6,270.08
Sale of Equipment	6,350.16	
Miscellaneous Revenue	4,028.15	57.25
Total Revenues	42,944,716.80	14,672.51
Expenditures		
Current Operating:		
Salaries and Wages	20,751,719.12	
Retirement Contributions and Related Costs	1,539,327.83	
Social Security Contributions-Regular	1,527,313.31	
Payments by State on Employees' Behalf	818,884.51	
Employee Insurance Contributions	807,582.33	
Retired Employee Insurance Contributions	133,228.35	
Workers' Compensation Benefits	8,483.78	
Unemployment Compensation Benefits	15,663.92	
Professional Fees and Services	31,938.85	
Office and Other Supplies	387,911.09	819.51
Telephone and Telegraph	485,516.85	205.00
Postage	359,200.00	
Travel	1,275,117.42	2,006.51
Building and Office Rentals	329,984.84	
Equipment and Miscellaneous Rentals	76,262.13	
Computer Software Rentals	97,824.02	
Computer Systems Computer Software Purchases	231,206.81	

Payroll Account (Fund 999)	General Expense Account (Fund 999)	Clearing Account (Fund 999)	Totals - Year Ended August 31, 1987 (Exh. II)
$	$	$	$
			24,150,028.07
			8,958,196.73
			2,045,309.60
			6,932,895.19
			419,864.82
2,426,338.12	1,314,247.07		3,748,930.37
			256,847.33
	120.82		171,317.57
13,161.80	7,594.65	22.11	27,048.64
			6,350.16
140.31	8.80		4,234.51
2,439,640.23	1,321,971.34	22.11	46,721,022.99
1,938,933.41	69.00		22,690,721.53
144,598.78			1,683,926.61
145,791.70			1,673,105.01
100,325.59			919,210.10
96,688.64			904,270.97
			133,228.35
	524.00		9,007.78
	2,939.06		18,602.98
	29,342.46		61,281.31
	32,409.85		421,140.45
	79,715.75		565,437.60
	85,238.98		444,438.98
	82,714.63		1,359,838.56
	165,847.23		495,832.07
	29,901.67		106,163.80
			97,824.02
	5,211.96		5,211.96
			231,206.81

EXHIBIT A-2

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - SPECIAL REVENUE FUNDS
Year Ended August 31, 1987
(UNAUDITED)

(Continued)

	Insurance Board Operating Fund (Fund 036)	Liquidator's Adminis-trative Account (Fund 999)
	$	$
Expenditures (concluded)		
Current Operating: (concluded)		
Employee Relocation	3,207.70	
Employee Seminars and Training	42,068.00	45.00
Membership Fees and Dues	51,060.00	
Printing and Reproduction Services	49,956.81	3.10
Witness Fees	6,904.74	
Advertising	1759.32	
Subscriptions and Publications	48,767.77	
Insurance and Bonds	2,041.00	
Court Costs	8,557.94	
Building Maintenance and Repair	53,341.17	
Equipment Maintenance and Repair	418,484.54	
Data Processing Services	24,333.33	
Freight and Delivery	13,542.20	
Photographic Services	5,729.88	
Contract Employment	49,056.70	
Claim Administration		
Legal Assistance from Attorney General	17,983.27	
Utilities		
Unallocated Direct Liquidation Charges		3,413.00
Legal Expense		
Agent Commissions		
Bank Charges	85.15	
Appraisal		
Miscellaneous	2,172.40	18.00
Total Current Operating Expenditures	29,676,217.08	6,510.12
Capital Outlay and Debt Service:		
Purchases of Fixed Assets	1,339,795.37	16,632.69
Debt Service - Interest on Capital Leases	87,730.38	
Total Capital Outlay and Debt Service	1,427,525.75	16,632.69
Total Expenditures	31,103,742.83	23,142.81
Excess (Deficit) of Revenues over Expenditures	11,840,973.97	(8,470.30)

Payroll Account (Fund 999)	General Expense Account (Fund 999)	Claims Clearing Account (Fund 999)	Totals - Year Ended August 31, 1987 (Exh. II)
$	$	$	$
			3,207.70
	28,546.58		70,659.58
			51,060.00
	17,568.08		67,527.99
			6,904.74
	7,439.68		9,199.00
	1,968.38		50,736.15
	18,280.50		20,321.50
	1.00		8,558.94
	19,434.48		72,775.65
	1,209.40		419,693.94
	1,945.89		26,279.22
	1,235.50		14,777.70
			5,729.88
	492,973.70		542,030.40
	120,066.24		120,066.24
			17,983.27
	29,794.53		29,794.53
			3,413.00
	410.14		410.14
	100.11		100.11
	267.33		352.48
	300.00		300.00
	1,226.49		3,416.89
2,426,338.12	1,256,682.62	--	33,365,747.94
			1,356,428.06
			87,730.38
--	--	--	1,444,158.44
2,426,338.12	1,256,682.62	--	34,809,906.38
13,302.11	65,288.72	22.11	11,911,116.61

EXHIBIT A-2

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - SPECIAL REVENUE FUNDS
Year Ended August 31, 1987
(UNAUDITED)

(Concluded)

	Insurance Board Operating Fund (Fund 036)	Liquidator's Adminis-trative Account (Fund 999)
	$	$
Other Financing Sources (Uses)		
Intrafund Transfer to Attorney General, Fd. 36:		
Current Year Funds	(67,616.54)	
Correction of Prior Year Funds	255,949.05	
Interfund Transfers to:		
Attorney General, Fd. 001	(200,000.00)	
Comptroller, Fd. 001	(7,057,868.00)	
SPGSC, Fd. 001	(589,569.00)	
Interfund Transfers (Out) In		(21,759.12)
Interfund Transfer In from Expendable Trust Fund		262.66
Liquidation of Liabilities for Expenditures Previously Recorded	(693,185.00)	
Expenditures Not Requiring Current Resources	87,730.38	
Decrease in Consumable Inventories	(25,815.77)	
Total Other Financing Sources (Uses)	(8,290,374.88)	(21,496.46)
Excess (Deficit) of Revenues and Other Sources over Expenditures and Other Uses	3,550,599.09	(29,966.76)
Fund Balances - Beginning of Year	23,602,866.03	91,645.36
Fund Balances - End of Year (Exh.A-1)	27,153,465.12	61,678.60

The accompanying Notes to the Financial Statements are an integral part of this exhibit.

Payroll Account (Fund 999)	General Expense Account (Fund 999)	Claims Clearing Account (Fund 999)	Totals - Year Ended August 31, 1987 (Exh. II)
$	$	$	$
			(67,616.54)
			255,949.05
			(200,000.00)
			(7,057,868.00)
			(589,569.00)
(12,269.16)	34,028.28		--
			262.66
			(693,185.00)
			87,730.38
			(25,815.77)
(12,269.16)	34,028.28	--	(8,290,112.22)
1,032.95	99,317.00	22.11	3,621,004.39
401.13	(56,299.30)	12.92	23,638,626.14
1,434.08	43,017.70	35.03	27,259,630.53

EXHIBIT B-1

COMBINING BALANCE SHEET - ALL FIDUCIARY FUNDS
Year Ended August 31, 1987
(UNAUDITED)

	Expendable Trust Funds		Agency Funds	
	Trustee Account (Fund 999)	Abandoned Property Fund (Fund 999)	Departmental Suspense Account (Fund 900)	Totals- August 31, 1987 (Exh. I)
	$	$	$	$
ASSETS				
Current Assets				
Cash in Banks	5,854.68	36,881.54		42,736.22
Cash in State Treasury			8,623,568.45	8,623,568.45
Certificates of Deposit	17,500.00			17,500.00
Accrued Interest Receivable	26.25	162.33		188.58
Total Current Assets	23,380.93	37,043.87	8,623,568.45	8,683,993.25
Other Assets				
Advances from Abandoned Property Fund to Receiverships		1,174,412.47		1,174,412.47
Less - Allowance for Doubtful Accounts		(1,174,412.47)		(1,174,412.47)
Total Other Assets	--	--	--	--
Total Assets	23,380.93	37,043.87	8,623,568.45	8,683,993.25
Liabilities and Fund Equity				
Current Liabilities				
Unallocated and Undistributed Receipts			8,623,568.45	8,623,568.45
Total Liabilities	--	--	8,623,568.45	8,623,568.45
Fund Equity				
Fund Balances - Unreserved- Undesignated (Exh. B-2)	23,380.93	37,043.87	--	60,424.80
Total Liabilities and Fund Equity	23,380.93	37,043.87	8,623,568.45	8,683,993.25

The Notes to the Financial Statements are an integral part of this exhibit.

EXHIBIT B-2

COMBINING STATEMENT OF REVENUES, EXPENDITURE
AND CHANGES IN FUND BALANCES - EXPENDABLE TRUST FUNDS
Year Ended August 31, 1987
(UNAUDITED)

	Trustee Account
	$
Revenues	
Sale of Assets	1,500.00
Interest Earned	270.79
Loans Receivable Payments	
Total Revenues	1,770.79
Excess of Revenues over Expenditures	1,770.79
Other Financing Uses	
Advances to Receiverships	
Interfund Transfer to Special Revenue Fund	(262.66)
Receivables Written Off as Uncollectible	
Total Other Financing Uses	(262.66)
Excess (Deficit) of Revenues over Expenditures and Other Uses	1,508.13
Fund Balances - Beginning of Year	21,872.80
Fund Balances - End of Year (Exh. B-1)	23,380.93

The Notes to the Financial Statements are an integral part of this exhibit.

Abandoned Property Fund (Fund 999)	Totals - Year Ended August 31, 1987 (Exh. II)
$	$
	1,500.00
1,970.27	2,241.06
136,498.41	136,498.41
138,468.68	140,239.47
138,468.68	140,239.47
(276,059.00)	(276,059.00)
	(262.66)
(307,535.76)	(307,535.76)
(583,594.76)	(583,857.42)
(445,126.08)	(443,617.95)
482,169.95	504,042.75
37,043.87	60,424.80

EXHIBIT B - 3

COMBINING STATEMENT OF CHANGES IN ASSETS AND
LIABILITIES - ALL AGENCY FUNDS
Year Ended August 31, 1987
(UNAUDITED)

	Balances, September 1, 1986	Additions	Deductions	Balances, August 31, 1987
	$	$	$	$
DEPARTMENTAL SUSPENSE ACCOUNT				
Assets				
Cash	8,990,987.40	480,155,119.63	480,522,538.58	8,623,568.45
Liabilities				
Unallocated and Undistributed Receipts	8,990,987.40	480,155,119.63	480,522,538.58	8,623,568.45
U. S. SAVINGS BOND ACCOUNT				
Assets				
Cash	12.50	31,287.50	31,300.00	--
Liabilities				
Employees' Savings Bond Deposits	12.50	31,287.50	31,300.00	--
TOTALS - ALL AGENCY FUNDS				
Assets				
Cash	8,990,999.90	480,186,407.13	480,553,838.58	8,623,568.45
Liabilities				
Unallocated and Undistributed Receipts	8,990,987.40	480,155,119.63	480,522,538.58	8,623,568.45
Employees' Savings Bond Deposits	12.50	31,287.50	31,300.00	--
Total Liabilities	8,990,999.90	480,186,407.13	480,553,838.58	8,623,568.45

The Notes to the Financial Statements are an integral part of this exhibit.

EXHIBIT B-4

SUMMARY OF CASH ADDITIONS AND DEDUCTIONS -
ALL AGENCY FUNDS
Year Ended August 31, 1986
(UNAUDITED)

	Departmental Suspense Account (Fund 900)	U.S. Savings Bond Account (Fund 901)	Totals
	$	$	$
Additions:			
Suspense Account Deposits	480,155,119.63		480,155,119.63
Payroll Deductions		31,287.50	31,287.50
Total Additions	480,155,119.63	31,287.50	480,186,407.13
Deductions:			
Clearance to City -			
Sales Tax Trust Account	2,466.30		2,466.30
Mass Transit Authority Tax Trust Account	2,467.94		2,467.94
Clearance to General Revenue Fund -			
Occupational Taxes	431,119,679.03		431,119,679.03
Workers' Compensation Taxes	9,230,859.93		9,230,859.93
Miscellaneous	406,819.99		406,819.99
Clearance to Insurance Board Operating Fund	39,487,953.45		39,487,953.45
Refunds to Remitters	121,080.82		121,080.82
Returned Checks	147,915.59		147,915.59
Warrants Voided by Statute of Limitations	3,295.53		3,295.53
Purchase of Employees' Savings Bonds		31,300.00	31,300.00
Total Deductions	480,522,538.58	31,300.00	480,553,838.58

The Notes to the Financial Statements are an integral part of this exhibit.

ADDENDUM I - General Comments

1. The Board consists of three full-time members appointed by the Governor with the advice and consent of the Senate. Members serve six-year over- lapping terms. The members of the Board as of August 31, 1987, the expiration dates of their terms of office and annual salary rates are as follows:

Figure 76. Board Members: the Expiration Dates of their Terms of Office an Annual Salary Rtes as of August 31, 1987

Name	Address (Texas)	Term Expires	Annual Salary Rate
Lyndon L. Olson, Jr., Chairman	Waco	1-31-1987(B)	63,825.00(A)
David H. Thornberry	Austin	1-31-1991	63,585.00(A)
James L. Nelson	Austin	1-31-1989	63,825.00(A)

Note A: Includes annual longevity payments.

Note B: Mr. Olson's term was extended per request of the Governor. Mr. Edwin J. Smith, Jr. was appointed Chairman by the Governor on September 30, 1987, and started work on October 19, 1987. His term will expire 1-31-93.

2. The State Board of Insurance's main offices are located in these state office buildings:

Figure 77. Location of the State Board of Insurance's Main Offices

Location (Austin)	Square Feet	Maintenance Cost per Square Foot per Month
1110 San Jacinto	70,730	.46
211 East 11th	36,074	.46

A transfer of $589,569.00 to the State Purchasing and General Services Commission was made during the year for maintenance and operation of these two buildings.

The Board also rents space at various times and locations for conducting agents' license examinations. Space is leased for other uses throughout the State as shown in the summary below.

Figure 78. Summary of Leased Space

Location (Texas)	Use	Square Feet	Cost Per Square Foot Per Month	Annual Rent
Abilene	Fire Raters Ofc	190	$ 1.00	$ 2,280.00
Amarillo	Fire Raters Ofc	190	.72	1,632.00
Austin	Fire Marshal and Liquidation	19,593	.85	200,217.96
Austin	Warehouse-Liquidation	14,870	.03	5,400.00
Austin	Liquidation Ofc	15,000	.79	142,706.76
Austin	Liquidation - Storage Trailers (6)	1,920	.31	7,200.00
Beaumont	Fire Raters Ofc	350	.65	2,730.00
Bryan	Fire Raters Ofc	140	.71	1,200.00
Corpus Christi	Fire Raters Ofc	290	.80	2,799.72
Corpus Christi	Fire Marshal's Ofc	800	.94	8,975.76
Dallas	Fire Raters Ofc	720	1.00	8,701.20
Duncanville	Fire Marshal's Ofc	900	1.21	13,083.00
El Paso	Fire Raters Ofc	180	1.10	2,377.68
Fort Worth	Fire Raters Ofc	559	.91	6,119.16
Harlingen	Fire Raters Ofc	320	.41	1,560.00
Houston	Fire Raters Ofc	1,035	1.04	12,957.84
Lubbock	Fire Marshal's Ofc	800	.98	9,400.68
Lubbock	Fire Raters Ofc	400	.83	3,999.96
Midland	Fire Raters Ofc	350	1.25	5,250.00
Nacogdoches	Fire Marshal's Ofc	800	.72	6,912.00
San Angelo	Fire Raters Ofc	250	.47	1,404.00
San Antonio	Fire Raters Ofc	520	.90	5,616.00
San Antonio	Agents License Exam	2,200	.05	1,200.00
Sherman	Fire Raters Ofc	285	.85	2,907.00
Texarkana	Fire Raters Ofc	170	.88	1,800.00
Tyler	Fire Raters Ofc	500	.60	3,600.00
Victoria	Fire Raters Ofc	185	1.54	3,420.00
Waco	Fire Raters Ofc	450	.67	3,624.36
Wichita Falls	Fire Raters Ofc	150	.67	1,206.00
TOTALS		64,117	.61	470,281.08

3. Board employees, Liquidation Activity employees, the Commissioner and Board members are bonded up to $10,000.00 each by a public employee blanket honesty bond issued by The Fidelity and Deposit Company. In accordance with Article 21.28, Section 12(a) of the Texas Insurance Code, the Liquidator, James T. Odiorne, is required to b covered by a $10,000.00 public official bond. As a result of an oral order of the 200th District Court, Travis County, on August 9, 1978, the bond of the Liquidator was increased to $200,000.00 effective September 1, 1978. This bond is issued by the AETNA Casualty and Surety Company.

4. The State Purchasing and General Services Commission by statute requires written justification for purchase requisitions where specifications are proprietary to one vendor. During the year ended August 31, 1987, the State Board of Insurance provided such written justification for the following types of requisitions:

Figure 79. Summary of Written Justifications for Purschase Requisitions: as of August 31, 1987

Expenditure Classification	Number of Requisitions	Amount
Computer Equipment, Accessories, Software and Maintenance	28	$1,000,912.64
Office Equipment and Maintenance	6	329,720.00
TOTALS	34	1,330,632.64

The State Purchasing and General Services Commission issued two exception letters as follows:

Figure 80. Summary of Exception Letters: as of August 31, 1987

Vendor	Products Purchased	Amount
Micro Innovation	Compaq Portable PCs	$ 9,897.00
Xerox Corp.	Xerox Copiers	301,820.00

Justifications submitted by the Board on the other thirty-two requisitions were accepted by the State Purchasing and General Services Commission.

5. During FY'87, the State Board of Insurance purchased the following vehicle:

1. Make/Model - 1987 Chevrolet Pick-up
2. Cost - $11,852.04
3. Use - Delivery and moving
4. Fuel efficiency rating - 14 mpg city/16 mpg hwy.

BELOW IS A LIST OF THE FOLLOWING SCHEDULES:

Schedule 1

Summary of Professional Fees and Services

Year Ended August 31, 1987

(Unaudited)

See Pages 194 - 195

Schedule 2

Summary of Revenues

Year Ended August 31, 1987

(Unaudited)

See Pages 196 - 197

Schedule 2A

Summary of Occupational Taxes Collected

Year Ended August 31, 1987

(Unaudited)

See Pages 199

Schedule 2B

Comparative Statement of Revenues

1978-1987

(Unaudited)

See Pages 200 - 201

SCHEDULE 1

SUMMARY OF PROFESSIONAL FEES AND SERVICES
Year Ended August 31, 1987
(UNAUDITED)

Name	City
Aid Consulting Engineers, Inc.	Dallas
Armstrong Forensic Laboratory	Arlington
Arnold & Booker	Austin
Sylvia Dudney	Austin
Employees' Assistance Center	Austin
Jon C. Ford	Austin
Freytag, Perry, Laforce	Dallas
J. D. Systems	Austin
Dianne Longley	Round Rock
Price Waterhouse	Austin
Professional Data Management	Indianapolis, IN
RTG/Partners, Inc.	Austin

Total Professional Fees and Services (Exh. II)

Purpose	Amount
	$
Expert Witness	12,227.20
Lab Services	300.00
Legal Services	1,496.50
Consulting Services	1,180.00
Counseling Services	9,999.00
Research and Consulting Services	750.00
Legal Services	1,194.06
Consulting Services	320.00
Research and Consulting Services	8,360.00
Auditing Services	24,785.00
Consulting Services	366.90
Interior Architectural Services	302.65
	61,281.31

SCHEDULE 2

SUMMARY OF REVENUES
Year Ended August 31, 1987
(UNAUDITED)

	Amount
	$
Taxes	
Fund 36 - Motor Vehicle Maintenance Tax	945,383.60
Fund 36 - Fire Maintenance Tax	14,547,010.63
Fund 36 - Workers' Compensation Maintenance Tax	7,772,372.34
Fund 36 - Casualty Maintenance Tax	536,293.37
Fund 36 - Title Maintenance Tax	338,517.62
Fund 36 - Burial Maintenance Tax	123.67
Fund 36 - Prepaid Legal Maintenance Tax	10,326.84
Fund 1 - Workers Compensation Premium Tax - I.A.B.	11,421,869.27
Fund 1 - Occupational Taxes (Sch. 2A)	386,175,680.61
Fund 1 - State Sales Tax	11,344.24
Fund 961 - City Sales Tax	2,466.20
Fund 964 - City Mass Transit Tax	2,467.84
Total Taxes	421,763,856.23
Fees	
Fund 1 - Citation Fees	139.00
Fund 36 - Examination Fees - Salaries and Travel Expense	2,122,876.18
Fund 36 - Examination Fees - Overhead Assessment	6,599,393.82
Fund 36 - License and Exam Fees - Life, A & H Agents	4,387,268.96
Fund 36 - License and Exam Fees - Variable Annuity Agents	197,026.45
Fund 36 - Mutual Assessment - Domestic Charter and Filing Fees	945.28
Fund 36 - Domestic Charter Fees	40,623.57
Fund 36 - Foreign Permits and Charter Fees	16,266.00
Fund 36 - Retaliatory Fees	178,128.67
Fund 36 - Filing Annual Statement	51,256.25
Fund 36 - Valuation Fees	2,045,309.60
Fund 36 - License Fees - Fireworks	95,374.00
Fund 36 - License and Exam Fees - Escrow Agents	137,647.50
Fund 36 - License and Exam Fees - Recording, Fire and Casualty Agents	755,712.51
Fund 36 - License and Exam Fees - Solicitors	85,049.00
Fund 36 - License and EXam Fees - Nonresident Property and Casualty Agents	41,742.00
Fund 36 - License and Exam Fees - Surplus Lines Agents	2,768.00
Fund 36 - License and Exam Fees - Title Agents	27,793.00
Fund 36 - License and Exam Fees - Managing General Agents	13,242.50
Fund 36 - License and Exam Fees - Fire Extinguisher	119,048.75
Fund 36 - License and Exam Fees - Fire Alarm and Detection Systems	144,922.50
Fund 36 - Filing Fees - Health Maintenance Organizations	6,543.00
Fund 36 - License and Exam Fees - Health Maintenance Organizations	23,663.50
Fund 36 - License and Exam Fees - Prepaid Legal Companies	45.00
Fund 36 - Filing Fees - Prepaid Legal Companies	145.00
Fund 36 - License and Exam Fees - Prepaid Legal Agents	273,527.00
Fund 36 - License and Exams Fees - Insurance Adjustors	298,711.25
Fund 36 - License and Investigation Fees - Premium Finance	120,142.27
Fund 36 - Examination and Audit Fees - Premium Finance	23,098.80
Fund 36 - Overhead Assessment - Premium Finance	212,827.93
Fund 36 - License and Exam Fees - Sprinkler Systems	181,980.00
Fund 36 - Amusement Ride Safety Inspections	20,543.00
Total Fees	18,223,760.29

SCHEDULE 2

SUMMARY OF REVENUES
Year Ended August 31, 1987
(UNAUDITED)

(Concluded)

	Amount
	$
Other Revenues	
Fund 1 - Penalty in Lieu of Suspension or Cancellation	395,036.22
Fund 1 - Warrants Voided by Statute of Limitations	3,295.53
Fund 1 - Unemployment Benefit Repayment	15,663.92
Fund 1 - Workers' Compensation Repayment	8,483.78
Fund 36 - Sale of Equipment	6,350.16
Fund 36 - Sale of Lists, Bulletins, Rating Data, etc.	174,893.97
Fund 36 - Sale of Computer Lists, Labels or Tapes	81,953.36
Fund 36 - Certificates and Copies of Documents and Records	132,645.05
Fund 36 - Reimbursements - Third Party	171,196.75
Fund 36 - Miscellaneous Revenue	4,028.15
Fund 1 - Miscellaneous Revenue	571.45
Total Other Revenues	994,118.34
Total Revenues	440,981,734.86

SCHEDULE 2A

SUMMARY OF OCCUPATIONAL TAXES COLLECTED
Year Ended August 31, 1987
(UNAUDITED)

Companies/Sources	Amount (Fund 1)
	$
Occupation Tax, Penalty and Interest	454,806.67
Domestic Life	11,664,358.31
Foreign Life	115,007,133.11
Foreign Life - Article 3.25	13,779.35
Domestic Stock Fire	5,747.83
Foreign Stock Fire	13,779.35
Domestic Mutual Fire and/or Casualty	5,304,995.57
Foreign Mutual Fire and/or Casualty	22,672,003.05
Domestic Stock Fire and/or Casualty	18,530,320.96
Foreign Stock Fire and/or Casualty	88,731,691.20
Domestic Stock Casualty	61,740.93
Foreign Stock Casualty	3,125,059.35
Mexican Casualty	59,431.23
Domestic Lloyds	7,826,385.45
Foreign Lloyds	73,227.24
Domestic Reciprocals	2,606,485.46
Foreign Reciprocals	2,159,708.63
Domestic Title	1,911,955.25
Foreign Title	2,999,209.01
Mutual Assessment Life, Health and Accident	5,522.39
County Mutual Fire and Casualty	10,891,481.49
Surplus Lines Premium Tax	24,069,419.36
Retaliatory Tax	53,032,988.26
Unauthorized Insurance Premium Tax	3,359,766.81
Stipulated Premium	1,121,756.69
Nonprofit Corporations	3,622,795.00
Domestic Health Maintenance Organizations	6,468,614.43
Foreign Health Maintenance Organizations	345,082.00
Foreign Retention Group	36,494.33
Purchasing Group-Insured By Unauthorized Insurer	88.51
Purchasing Group-With Insurance Independently Procured	272.49
Total	386,175,680.61
	(Sch. 2)

SCHEDULE 2B

COMPARATIVE STATEMENT OF REVENUE
1978-1987
(UNAUDITED)

Fiscal Year	Taxes Collected	License & Fees Collected
	$	$
1978	147,410,146.02	6,881,683.91
1979	166,504,647.91	6,699,110.00
1980	176,117,116.20	9,272,428.18
1981	189,178,883.98	8,452,077.34
1982	204,015,831.74	9,817,775.26
1983	219,816,983.86	10,915,137.38
1984	363,666,816.24	12,920,156.93
1985	367,490,437.95	13,444,339.33
1986	412,021,787.52	15,472,795.89
1987	421,763,856.23	18,223,760.29

Other Revenues	Total
$	$
194,950.27	154,486,780.20
292,083.31	173,495,841.22
236,896.81	185,626,441.19
387,441.36	198,018,402.68
378,126.90	214,211,733.90
409,364.51	231,141,485.75
503,863.20	377,090,836.37
664,405.72	381,599,183.00
503,999.67	427,998,583.08
994,118.34	440,981,734.86